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OUR REPORTER'S REPORT

Another prospective refunding operation by a public utility came to light coincident with reports that the Oklahoma Gas & Electric Company may be expected soon to reveal plans for refunding its outstanding mortgage debt.

This will bring to a total of three, the other companies which have prospective refinancing operations in the works, the Puget Sound Power & Light Company and the Public Service Company of New Hampshire having already filed with the Securities and Exchange Commission.

The Oklahoma utility now has outstanding $35,000,000 of thirty-year 3¾% first mortgage bonds due in 1966, its only mortgage debt. In addition it has $7,125,000 of 4% debentures due in 1946 out of an original issue of $9,500,000 sold simultaneously with the mortgage bonds in 1936.

These securities were marketed to provide funds for the retirement of $44,545,277 of 5s, 5¼s and 6% obligations outstanding at the time. The 1941 report, latest available, showed fixed charges covered 2.23 times.

Mortgage bonds now outstanding are subject to call at 104¾ and it is expected that the company will exercise its privilege.

Discussion in market circles hints at the possibility that the new refunders are likely to carry a 3¼% coupon, and naturally a maturity beyond that of the outstanding issue.

(Continued on page 490)

Urges Securities Acts Changes To Encourage Venture Capital

"The first concern of government in the post-war world," according to Gov. Harold E. Stassen of Minnesota, "should be to create a favorable environment in which free enterprise, by its inventiveness, its management, its mass production, and its distribution, can make the greatest possible contribution to the standards of living of the people." Gov. Stassen thus expressed his views in New York City on Jan. 28 at a luncheon of the Northeastern Lumbermen's Association held in the Pennsylvania Hotel. Among other things which Gov. Stassen advocated were modification of the Security Exchange Law, co-operation with private capital in housing development, and encouragement of research and industrial initiative to meet post-war problems on the home front. The New York "Herald Tribune" of Jan. 29, from which we quote, stated that in the field of international affairs the youthful Minnesota executive (he will be 36 years old on April 13) repeated for the New York business gathering the program for a world government structure that he first proposed three weeks ago at the University of Minnesota.

In advocating in his luncheon address in New York that the extreme restrictions of the Security Exchange Law be greatly modified "so as to recognize the need of venture capital," Gov. Stassen said:

"If government takes all element of chance out of investment it will at the same time take out all possibility of real progress.

"The birth rate of new enterprises is just as important to the future as the birth rate of the population."

He contended that the government must recognize that mere bigness was not of itself a bad thing in America, so long as that bigness had worthy competition in some form or other.

Further remarks of Gov. Stassen at the luncheon were indicated as follows in the "Herald Tribune":

Expressing confidence in the nation's ability to convert its economy from war industry to peace industry in accord with basic American principles, Gov. Stassen based his assurance on the belief that the rank and file workers of the United States "have a greater respect for the American industrial system, for individual enterprise and management initiative now than they have had for many, many years."

"The rank-and-file people of America," he said, "have observed at close hand, in the production of the vital means of victory, the results of the management and the initiative and ingenuity of our American industrial system. On the other hand, they have had an unusual and new opportunity to observe at close hand and by personal experience the contrasting inefficiency and the delays of governmental operations, in rationing, in man power, and the many other activities of the government.

"They are seeing at close hand the difference between a system of private operation and of governmental operation, and I do not believe that the rank-and-file workers of this country would contemplate for a minute government supervision and complete operation as being in any way a match for, or a desirable substitute for, what they see accomplished by American business."

"Governor Stassen said that in

(Continued on page 491)

SEC Proxy Rules Unnecessary And Against Public Interest

A protest against the new proxy rules of the Securities and Exchange Commission has been addressed to the members of the Senate and House at Washington by the Commerce and Industry Association. It is contended in the Association's statement that the rules place needless and unauthorized additional burdens on American business, it was noted in the New York "Times" of Feb. 2, which also observed that bills are pending in Congress which would eliminate powers assumed by the SEC not conferred upon it by statute. As to the Association's objections to the rules the same paper said:

Revision of its proxy rules by the SEC in December "should be protested and action taken to prevent the SEC from exceeding the authority conferred upon it by law and imposing unwarranted new burdens on industry," the statement said.

"The Commerce and Industry Association is not opposed to rules and regulations which would actually further the sound objective of protecting investors from fraud, for which the SEC was created. It heartily endorses sound principles in the Securities Laws as written by Congress. It is, however, vigorously opposed to arbitrary and unreasonable requirements such as are set up under the new proxy regulations.

"The Commerce and Industry Association believes the new proxy rules are against the public interest and are subject to the following basic objections:

"First, they tend to foment controversies between stockholders and management.

"Second, they tend to make proxy statements to stockholders voluminous and costly.

"Third, they tend to confuse stockholders rather than to enlighten them.

"Fourth, they may create new liabilities for which no need appears to exist.

"Fifth, they represent the exercise by the SEC of a power not conferred upon it by law of interfering with the internal management of corporations."

Neal Dow Becker, President of Intertype Corporation, is President of the association; Vice-Presidents are Stephen F. Voorhees, Builder; Thomas S. Holden, President of F. W. Dodge Corp., and Jeremiah D. Maguire, President of Federation Bank and Trust Company.

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Fulton Iron Works Co.

By BRUCE WILLIAMS

While presently enjoying substantial benefits from war-stimulated demand for heavy machinery, this small company is in the unusual position of possessing attractive post-war prospects.

The company's business was founded in 1852. Before the present war it was an important constructor of sugar mills. In addition, its plant, built on an 11-acre site at St. Louis, Mo., is equipped for the manufacture of heavy machinery, Diesel engines of from 375 to 1,250 H.P., and various types of machine tools.

During the 1930's the sugar business was in a bad way with some mills being abandoned and the equipment of operating mills being allowed to deteriorate. Aside from a few orders from the Mexican Government, this company received practically no business from the sugar industry during this period.

With a somewhat unwieldy capitalization consisting of $774,444 6% Income Notes due in 1944, 51,299 shares of 6% Preferred Stock (non-cum. $10 par), and 18,850 shares of Common Stock ($1 par), the company suffered from this situation and failed to pay an accumulation of two years' interest due on the Notes. War work was undertaken with the aid of loans from the R.F.C. and the volume of business has risen sharply in the past two years.

Condensed Income Account, Years Ended June 30

	1942	1941
Net sales	$3,793,325	$2,038,606
Cost of sales	2,763,402	1,600,880
Oper. income (after depr.)	802,955	222,272
Income taxes	*353,198	53,000
Avail. for int. (after misc. deduct.)	431,975	198,630
Int. (incl. other int.)	52,428	60,734
Net income	379,547	137,896
Earnings per share:		
Preferred stock	$7.39	$2.69
Common stock	18.50	5.63

*Including excess profits tax.

The above earnings on the common stock are largely meaningless until the company takes care of the Income Notes. The current year's interest on these notes amounting to $46,467 was paid recently, leaving two years' interest still in default. The company has presented the noteholders with a plan offering to pay all arrears on the interest plus 10% on principal and to set up a sinking fund equal to 25% of net income for retirement of the notes if the holders will agree to a reduction of interest to 5% and an extension of maturity to 1954.

Although finances have improved markedly with the increase in volume, net working capital rising from $169,914 as of the 1940 fiscal year end to $439,420 in 1941 and $800,884 on June 30, 1942, the company is still in a tight cash position. The necessity of carrying larger inventories and the drain of sharply increased taxes have substantially expanded cash requirements. However, this obstacle does not appear to be insurmountable and if an extension of the Income Notes can be successfully consummated, the company will be well along the road to complete financial recovery.

The interesting aspects of this situation are that for nearly 14 years the South American, Cuban and other West Indian customers of this company have been letting their sugar mills run down. Much of the Java and East Indian mill equipment is reported to have been destroyed. With the help that our Government is giving to our Latin American neighbors and with the need for post-war reconstruction of the sugar industry, it is not difficult to visualize a period of unusual prosperity for Fulton Iron Works.

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Price & Co. Becomes Price, McNeal & Co.

The name of the firm of Price & Co., 165 Broadway, New York City, dealers in investment securities, has been changed to Price, McNeal & Co., in order to conform to the firm's partnership status.

Clarence V. Price and Allen J. McNeal, who have been associated together since the early twenties as partners, were originally with George H. Burr & Co.—the former in the Chicago and Cleveland offices and the latter in the New York office.

Mr. Price was raised in Illinois and attended the University of Chicago, while Mr. McNeal came from Kansas and went to the University of Michigan.

Price, McNeal & Co. will continue to retail securities to individuals and institutions. While dealing in public utility, industrial and railroad stocks and bonds, both listed and unlisted, as well as municipals, the larger part of the business done by the firm consisted of "special situations" which have proved quite profitable to their clients over a period of years.

Eugene Hayes Elected Pres. Of Senior Clerks Ass'n

The Senior Clerks Section of the Association of Stock Exchange Firms has elected Eugene A. Hayes, of DeCoppet & Doremus, president. Thomas F. Darcy, Merrill Lynch, Pierce, Fenner & Beane, was chosen vice-president; William J. Dempsey, J. H. Oliphant & Co., treasurer; Mark Sandler, Herzfield & Stern, secretary, and Bernhardt P. Schmeil, Carlisle & Jacquelin, assistant secretary.

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David Minton Jr. Is Burnham Co. Partner

David M. Minton, Jr., member of the New York Stock Exchange, has been admitted to partnership in the Exchange firm of Burnham & Co., 30 Pine Street, New York City. Mr. Minton has recently been active as an individual broker and prior thereto was a partner for many years in D. M. Minton & Co.

Lawrie W. Burnham will be admitted to partnership in the firm shortly. Oscar A. Krieger withdrew on Jan. 25.

Sells Walter Kidde Stock

Wyeth & Co., 647 South Spring Street, Los Angeles, Calif., members of the Los Angeles Stock Exchange, placed 11,000 shares of Walter Kidde & Co. common at 33½. The company is one of the leading manufacturers of carbon dioxide. The stock was oversubscribed two hours after offering.

Scott Babey Opens Office

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Scott C. Babey has opened offices in the Dixie Terminal Building to engage in a securities business. Mr. Babey was formerly with Ballinger & Co., Charles A. Hinsch & Co., Bankers Bond Co. and Stein Bros. & Boyce.

Murphy & Hayes Head Charities Committee

Edward F. Hayes, of Glore, Forgan & Company, and Peter J. Murphy, of F. S. Smithers & Co., have been appointed chairman and vice-chairman, respectively, of the Investment Bankers group of the Archbishop's Committee of the Laity in the twenty-fourth annual fund Appeal of the Catholic Charities of the Archdiocese of New York, it is announced by John A. Coleman, executive chairman of the Special Gifts Committee.

The Archbishop's Committee of which former Governor Alfred E. Smith is general chairman, solicits contributions from professional and business leaders through the Special Gifts Committee, which last year collected more than $336,000 in addition to $792,000 raised by teams of parish workers.

The 1943 Appeal will open April 4 in the 376 parishes of the Archdiocese.

New York Catholic Charities coordinates the work of 182 hospitals, child caring homes, day nurseries and family relief and other welfare agencies in the ten counties of the New York Archdiocese.

John N. Darrow With Merrill Lynch Firm

(Special to The Financial Chronicle)

CLEVELAND, OHIO—John N. Darrow has become associated with Merrill Lynch, Pierce, Fenner & Beane, 216 Superior Avenue, N. E. Mr. Darrow was formerly in charge of the municipal department of the local office of Paine, Webber, Jackson & Curtis. Prior thereto he was with Otis & Co. in their municipal department and in the past was head of Darrow & Bielaski, New York investment firm.

Returns to Business After Leave of Absence

CHICAGO, ILL.—J. Patrick Lannan, President of Kneeland & Co., Inc., Board of Trade Building, has returned to active business after a leave of absence of one year.

Mr. Lannan became Chief Liaison Officer of the Sixth Region of the War Production Board and has served in that capacity as a Dollar-a-Year Man since shortly after Pearl Harbor.

N. Y. Analysts to Meet

At the regular Friday luncheon meeting of the New York Society of Security Analysts, Inc., to be held Feb. 5 at 56 Broad Street, New York City, David Roswell of Roswell & Co., financial consultants, will speak on "Receipts and Expenditures of Government in the United States."

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ABA Exec. Council To Meet April 11-14

The annual Spring meeting of the Executive Council of the American Bankers Association will be held in New York City, April 11-14, it is announced by W. Linn Hemingway, A.B.A. President. Mr. Hemingway is President of the Mercantile-Commerce Bank and Trust Company, St. Louis, Mo. The Executive Council is the governing body of the Association consisting of bankers chosen by the bankers associations of the 48 states and the District of Columbia. The Waldorf-Astoria will be headquarters for the meeting.

American Business Credit Situation Interesting

Hill, Thompson & Co., Inc., 120 Broadway, New York City, have prepared an interesting memorandum on American Business Credit Corporation, copies of which may be had from the firm upon request.

Stromberg-Carlson Offers Attractive Situation

The current situation in Stromberg-Carlson common offers attractive possibilities according to a memorandum issued by Herzog & Co., 170 Broadway, New York City, from whom copies may be obtained upon request.

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Congressman Accuses Freeman Of SEC

Representative Charles Wolverton (Republican of New Jersey) according to United Press dispatches from Washington dated Feb. 2, accused Milton V. Freeman, Assistant Solicitor of the Securities and Exchange Commission, of placing himself "entirely beyond the scope of laws created by Congress."

"Wolverton," the dispatch continued, "said Freeman had made a public statement asserting that 'we do make the law,' and that 'an SEC regulation supersedes all laws that are contrary to it.' The statement, Wolverton said, was reported by the New York "Times."

" 'If this statement is correct as reported by the press,' he said, 'Mr. Freeman should be immediately and completely separated from the Government payroll. Mr. Freeman was referring to a new set of regulations issued by the SEC, which in my opinion go far beyond the jurisdiction of the Commission. I shall demand that Mr. Freeman and the Chairman of the SEC be called to the Capitol before a committee of Congress to explain their philosophy.' "

Paul J. Bax Joins Kidder, Peabody Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Paul J. Bax has become associated with Kidder, Peabody & Co., 135 South La Salle Street. Mr. Bax was formerly a trader for Caswell & Co. and its predecessor Mitten, Caswell & Co. and was with The First Boston Corporation.

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There's Still "Black Gold" In "Them Thar" Hills

Responding to the increased need for coal to keep the wheels of industry moving, the production of soft coal in the United States is thought to have reached the highest total on record during 1942. Estimated on a basis of the 11 months' figures to Nov. 30 the total tonnage is expected to reach 580,000,000 net tons as compared with the previous peak of 579,385,820 net tons in 1918. With war production still on the increase and railroad traffic heavier than ever before and with the oil shortage causing a greater demand for coal in heating plants, the year 1943 may establish a production record exceeding 600,000,000 tons.

The following figures which show yearly production and percentage of increase from 1932 to 1942, inclusive, were obtained from the **Department of the Interior**, Bituminous Coal Division. The year 1932 was chosen as a beginning because it established the low following the more prosperous 1920s. Production for 1929 was 534,988,593 tons.

	Tons	Incr. over '32
1932	309,709,872	--
1934	359,368,022	16%
1936	439,087,903	41
1937	445,531,449	45
1938	348,544,764	12
1939	394,855,325	28
1940	460,771,500	49
1941	514,149,245	66
1942 (est.)	580,000,000	89

This improvement naturally has been reflected in the price level of coal bonds and stocks, two outstanding examples of which are **Franklin County Coal 7s** and **Old Ben Coal 6s.** Since 1938, when the second low in production for the decade was reached, **Franklin County Coal 7s** have advanced from about 40F to a present market value of approximately 160. That includes stock which had little value in 1938 but is now 3¾ bid for preferred and 80¢ bid for common. Practically all of this advance in price occurred during the latter half of 1942.

The **Old Ben Coal** 1st 6s, worth about 25F in the market during 1938, got under way earlier and by the end of 1940 had doubled in market price. By the end of 1941 they had reached 90 and are now quoted 105 bid, 107 asked. **O'Gara Coal** 1st 5s, about 10F in 1938, improved a little during 1939, 1940 and 1941 but did not really come to life until 1942. They are now up around 80.

Another company worthy of notice is the Chicago, Wilmington & Franklin Coal Co., the common stock of which has advanced from 5 in 1939 to the present market of 16-17. Company was also very fortunate in that a lucrative oil

(Continued on page 490)

DEALER BRIEFS

Cleveland, O.

In spite of all the changeable news we had in 1942 and the unsettled minds of the investing public, there seems to be plenty of buyers of securities with a good background and post-war possibilities.

Customers are looking for high-grade municipals, which are getting scarce; income revenue bonds of municipalities are becoming very popular and in good demand; insurance and bank stocks are being rapidly absorbed by our clients.—*Joseph R. Kraus, Chairman of the Board, The First Cleveland Corporation.*

Columbus, O.

Caution and preparation for tax payments are prevalent to a great extent among our investors.

There is an excellent demand for our local high grade preferreds and land trust certificates, but offerings are lacking.

Our equity shares are also in demand and the prices are generally higher than for the past few months.—*W. M. Zuber, W. M. Zuber & Co.*

Jackson, Tenn.

It develops that there are plenty of funds for investment in sound securities. It would appear to us that there will be a continued demand for municipals although the dwindling supply may cause less activity and higher prices.

The Legislature, which is now in session, has about half completed its work. It usually produces quite a supply of special issues of municipal bonds, but at this session hardly a single issue has been authorized, and we feel that with the scarcity of materials and priorities, practically no issues will be authorized by local communities for the duration of the war for new improvements, and with excellent tax collections little refunding will be necessary.—*C. H. Little and Company.*

(Continued on page 490)

Old Ben Coal Corp.
1st 6s — Debenture 7½s — Common

Chicago, Wilmington & Franklin Coal Co.
Common

Bought — Sold — Quoted

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REAL ESTATE SECURITIES

New York City's tentative tax rolls for 1943-1944 as announced by the City Tax Commission on Jan. 31 aggregated $16,058,686,836, a decrease of $53,287,619 from the final assessment total of $16,111,974,455 for the current fiscal year. The tentative rolls show a valuation of $14,014,228,680 on ordinary real estate, as distinguished from utility properties; $1,381,301,065 for real estate of corporations (utilities), and $663,157,091 special franchises (based on 1942-1943 figures).

William Wirt Mills, President of the Tax Commission, in reporting the tentative assessments to Mayor LaGuardia, stated that the overall decrease in valuation from the early total was net after taking into account the value of new construction, reduction in assessments, etc. Assessments dropped $97,130,000 in Manhattan and $480,970 in the Bronx. All other boroughs are increased: Brooklyn by $12,592,751, Queens by $13,649,115, Richmond by $3,010,965. Assessments of utility properties showed a gain of $15,070,520 for the year.

Reflecting a full year of war pressures on the realty field, the Tax Commission reported only 2,216 new buildings in New York City since the last assessing period, compared to 8,350 new buildings in the previous year. That 70% decline is further accentuated by the fact that much of the new construction was U. S. Government property at Floyd Bennett Field, Oriental Beach and Manhattan Beach—all exempt from taxation.

Manhattan, still the most valuable land area in the world, added only 46 new buildings last year compared to 121 the year before, and demolished buildings with assessed valuations of $957,000.

In the city as a whole, taxable property having a total valuation of $18,466,440 was lost to the assessment rolls by reason of exemption.

The Tax Commission reported reductions in the assessed valuations of existing properties amounting to $154,958,600, partly offset by approved increases amounting to $38,054,521, leaving a net field reduction for equalization of $116,904,079.

The report pointed out that the rehabilitation exemption law expired Jan. 25, 1941, recalling that the first law providing for this exemption was enacted in 1937 and the first exemptions granted for the year 1938. The city, it was stated, began to reap the benefit of those improvements last year when some of the exemptions were restored to the tax roll for the second half of 1942-1943. More of these exemptions, to the amount of $7,691,675, will be restored to the tax rolls for the second half of 1943-1944.

TRADING MARKETS IN
REAL ESTATE
SECURITIES
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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Harry F. Cole** has been added to the staff of **Baldwin & Company**, 30 Federal Street.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Sylvia Z. Green** is now with **A. A. Bennett & Company,** 105 South La Salle Street.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Andrew C. Stayart** has become associated with **Case, Bosch & Co.,** 208 South La Salle Street. Mr. Stayart was formerly with Thompson Ross Securities Co., Webber, Darch & Co. and Paul H. Davis & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**May L. Hartigan** is now with **Dempsey - Detmer & Co.,** 135 South La Salle Street. Miss Hartigan was previously with Leason & Co., Inc. and J. H. Beall & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Bert X. Wahl** has become affiliated with **Sills, Troxell & Minton, Inc.,** 209 South La Salle Street. Mr. Wahl was formerly with A. C. Allyn & Co. and Bond & Goodwin, Inc.

(Special to The Financial Chronicle)

CINCINNATI, OHIO —**E. E. Kirkpatrick** has been added to the staff of **A. E. Aub & Co.,** Union Trust Building.

(Special to The Financial Chronicle)

SEATTLE, WASH.—**William F. Stone** has rejoined **Lobe & Jordan, Inc.,** Insurance Building. Mr. Stone was recently with Wakefield & Co., Inc.

(Special to The Financial Chronicle)

YOUNGSTOWN, OHIO—**Myron H. Lyons** has become connected with **Flannery-Jackson & Co., Inc.,** Union National Bank Building.

Tomorrow's Markets Walter Whyte Says—

Explosive force of inflation working against general confusion makes for uncertain market. Prices now at dangerous levels. Minor setback can carry deeper than expected. All stops to be moved up.

By WALTER WHYTE

Two forces are hard at work in this market. The first is a quiescent TNT ready to explode into a rip snorter of an up market. The second, just as effective, can turn the entire picture into one of gloom and dark forebodings.

* * *

The first comes entirely from inflation and its by-products. That inflation is here is obvious to anybody who eats and drinks. The only place where the inflationary effects have not caught on is in the security markets. There are some rather good reasons for it. They are, however, too involved to be gone into here. Anyway the reasons hardly matter. It is the effects that count.

* * *

The second force at work in this market comes from psychological factors. Practically all of it is fed by news reports. Its importance, however, cannot be overlooked. Fear, hope and other human emotions play a much more important part in the price structure than is generally realized.

* * *

A clear cut political policy both here and abroad would of course help no end. We all know no such policy exists. Instead we have contradictions piled on contradictions all of which confuse and add to the uncertainties which generates fears.

* * *

We have a war on our hands the end of which no one really knows anything about. Political leaders have blared forth a nebulous something we are fighting for, called the Four Freedoms. Yet the first chance these Four Freedoms can be applied they are conveniently forgotten. Our State Department when asked by newspaper correspondents to explain certain actions, particularly the queer goings on in North Africa, becomes irritable and announces we ought to pay more attention to the war and less to policies. The market which in the final analysis is concerned with the future rather than the past or present reflects this confusion in high places.

* * *

I am certain, for example, that if the antics of our State Department were understood the market would be acting much better than it does. For on the home front business and industry is doing well. In fact it's doing a lot better than the shrieks coming from tax pains would lead you to believe.

* * *

Meanwhile the market, despite the fears and hopes that dominate it, behaves like a nicely brought up kid. It doesn't get too rambunctious and neither is it sulky. But like all nicely behaved youngsters it threatens to break its habits and explode with a big bang.

* * *

Right now market technicians are expecting something called a "technical reaction." I deliberately put quotes around technical reaction because all reactions, technical or otherwise, mean just one thing—lower prices. When such a reaction is on I prefer to sit by with a bundle of cash than with a top heavy stock position trying to console myself in the belief that the whole thing will soon be over and pay me handsomely for my patience. I never saw any advantage in holding a stock at say 30, carry it to say 40, and then watch as it goes through the antics of a "technical reaction" that carries it back to about 32 or 35. Nine chances out of ten the man who was outspokenly confident of being able to carry stock through such setbacks will get the heaves at the lower figure and dump. No, when a reaction is on I prefer to let somebody else do the explaining and comforting.

* * *

It is not always possible to get out just before prices begin sagging. So that old method of "stopping" them at predetermined levels comes to the fore. I'll admit it isn't the ideal method but until

(Continued on page 492)

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The long awaited announcement of an agreement between the Steadman Committee, representing the Missouri Pacific 1st & Refunding Mortgage, and the Young interests, representing junior security holders, was released late last week. It was followed by renewed strength for most of the system securities, even though the statement did not reveal the details of the proposed revisions in the original plan. The latter is now before the courts.

The joint statement of agreement merely brought out the fact that it was now proposed to take advantage of the unprecedented cash balances that have been built up under the stimulus of war earnings to improve the treatment of every class of security holder. Presumably this would be accomplished at least in part by the payment of principal of some of the underlying claims as was petitioned last year by the Young interests. This would in turn release a larger allotment of new First Mortgage bonds for allocation to other security holders, specifically the 1st & Refunding Mortgage, while retaining the fixed capitalization within the broad limits set by the Interstate Commerce Commission. It is also possible that claims of holders of other than the divisional liens might be reduced through cash allotments.

In view of the agitation that has been stirred up by the record earnings of all of the reorganization roads, it would seem advisable, in the interests of harmony, to give some recognition to old stock holders in any revision, even if only in the form of purchase warrants. Elimination of stocks on which earnings are in some instances running to $30 and even $50 a share during the war boom has long been visualized as one of the major stumbling blocks to consummation of pending reorganization plans. Regardless of how temporary present conditions may be, there is no question but that the record supports the contention that the Commission erred in categorically denying the possible potentiality of any value in these stocks. This should logically be recognized through giving stockholders rights to buy the new stocks.

The joint statement particularly stressed the fact that the agreement of the two parties did not necessarily presage early adoption of a revised plan. The new proposal would first have to be discussed with other interested parties representing other affected liens. If the plan were accepted by these other groups, it would still have to have the approval of the Interstate Commerce Commission and the courts of jurisdiction. Also, the success of any plan, either the old or the revised one, will depend in large measure on the decision of the Supreme Court (which may have been handed down by the time this is published) in either the St. Paul or the Western Pacific cases.

Regardless of the outcome of the present negotiations, and even if the original plan should be the one finally adopted, it is indicated that the International-Great Northern 1st Mortgage bonds have lagged considerably behind the rest of the Missouri Pacific System obligations. Based on the plan now before the Court, the International - Great Northern 1st Mortgage bonds have an indicated value of 44 to 44½, taking the bid prices for the when-issued securities. Any improved treatment under a revised plan would naturally add to these values.

In the meantime, it seems almost certain that holders of the bonds will receive at least some additional interest payments in the current year. Last year the bonds were paid the equivalent of one and one-half semi-annual coupons. The vastly improved current financial position of the company itself, coupled with the prospects of continued high earnings, would certainly justify at least a similar distribution in 1943. Old fixed charges were earned more than three times last year and there is no reason to anticipate a material paring of that margin in the current period.

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AMERICAN MADE MARKETS IN CANADIAN SECURITIES

CANADIAN WESTERN MUNICIPALS

Abitibi Power & Paper 5s, 1953
Aldred Investment 4½s, 1967
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Shawinigan Wtr. & Pow. 4s, '61

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Ticker Now Signals Opening Of Market

A new practice of indicating on the ticker tape the time of the actual opening of the New York Stock Exchange was instituted on Feb. 1. This new procedure is signalled by the tickers in the following manner:

"At 15 seconds before the opening (9:59:45 a.m. New York Time) a series of 16 dots will be printed, each a second apart, so that the last or 16th dot will be printed at 10:00 a.m. New York Time. This series of dots will be followed by the words "Market Open." The printing of sales will then proceed as heretofore."

In a letter to Stock Exchange members, it was explained:

"For many years it has been customary, about two minutes before the opening of the market, to print on the ticker tape "New York Stock Exchange" followed by the date. Nothing else is then printed until the first report of a transaction made on the Floor arrives in the ticker plant and the necessary operations to print it on the tape are completed. The interval of time between the printing of the date and the first transaction varies with many factors. The actual opening of the market occurs in this interval, although there is no way now to determine from the ticker exactly when this occurs. However, it is the practice to print on the tape the words "Market Closed" when the closing occurs. Representations have been made to the Exchange that a similar indication of the time of actual opening would be desirable."

Bidwell & Co. Formed

Bidwell & Co., with offices at 70 Pine Street, New York City, is being formed as of today by J. Truman Bidwell, member of the New York Stock Exchange, and Milton A. Pfizenmaier. Mr. Bidwell has been active as an individual floor broker. Mr. Pfizenmaier will act as alternate for him on the floor of the Exchange.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—45⅛; low—14¾; Feb. 3 price—44⅝.

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Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

The impact of war on the industry and economy of a nation is both stimulating and inflationary. All industries are not equally affected, however, for while some become "war babies" others become war casualties. The inflationary effect of war is noticed chiefly in rising commodity prices, wages and other cost items. The combined effect of stimulation and inflation is manifested in enlarged plant, greater production of goods, expanding inventories and higher valuations for all three. This condition, in turn, requires an increased aggregate volume of insurance protection; thus, willy-nilly, the fire insurance companies become beneficiaries of a war economy.

A study of the experience of a group of fourteen leading fire insurance companies during World War I reveals some interesting and perhaps significant results. The companies included in this brief study are: Aetna, Agricultural, Boston, Camden, Franklin, Hanover, Hartford, Home, National, New Hampshire, Phoenix, Providence-Washington, Security of New Haven, and Springfield. The results are tabulated below.

Year	Unearned Prem. Reserves	Liquidating Value	Net Operating Profits	Dividends
	($000)	($000)	($000)	($000)
1914	76,889	98,891	6,126	5,080
1915	80,542	107,329	10,583	5,045
1916	84,872	115,343	10,489	5,295
1917	99,976	118,011	17,706	5,620
1918	115,095	125,805	20,735	5,620
1919	129,194	143,043	31,946	6,625

The growth of premium volume is reflected in this table by the annual expansion of the unearned premium reserve account which, between Dec. 31, 1914 and Dec. 31, 1919, increased 68%. Liquidating value, which is made up of capital, surplus and 40% of unearned premium reserves, expanded 45%. Net operating profits, comprising net underwriting gains and net investment income, increased 423%. Most of this gain, however, was in the underwriting branch of the business; net investment income alone increased approximately 56%. Dividend disbursements increased 30%. The remarkable coverage of dividends is very noticeable. Over the six-year period dividends aggregated $33,285,000 and net operating profits $97,585,000. Thus, $64,300,000 or 66% of earnings were retained in the business.

As regards the market action of fire insurance stocks over this period, the evidence is not quite so clear. They were not well known to general market investors prior to about 1918-1920. Generally speaking, they were owned by institutions, estates, wealthy investors and insurance executives, who held them as permanent investments and seldom offered them for sale in the open market. Consequently, quotations were scattered and irregular. However, careful search of newspaper and "Chronicle" files enables one to construct a rough index for the above fourteen stocks as follows: 1914 low, 100.5; 1919 high, 158.8; appreciation, 58%.

When we turn to World War II we find plenty of evidence of its stimulating and inflationary effects. When the war started on Sept. 1, 1939, Irving Fisher's combined index of 120 commodities was 78.4; on Jan. 29, 1943 it was 110.3; this represents a rise of 40.7%. The cost of living index of the National Industrial Conference Board was 85.4 for September 1939 and 101.0 for December 1942; an increase of 18.3%. Factory wages, as per United States Department of Labor figures for 90 industries, were $24.70 in September 1939 and $38.86 in October 1942 (latest), a rise of 36.5%. Manufacturers' inventories, as reported by the Department of Commerce, were $9,632,350,000 at the end of 1939, $11,000,000,000 in 1940, $15,750,000,000 in 1941 and $17,500,000,000 on Dec. 31, 1942. The overall increase of around $7,868,000,000 is equivalent to 81.7%. Last year the annual increase was 12%, approximately half of which, according to estimates by the Department of Commerce, could be accounted for by rising prices.

This upward trend of significant factors, paralleling approximately the record of the last war, should again prove favorable to the growth and profits of the insurance companies, and be reflected in an expansion of unearned premium reserves, net operating profits, etc., as was the case between 1914 and 1919. An examination of the records of a group of thirty representative fire insurance companies, which the writer has been compiling for several years, indicates that such a growth trend appears to have been under way since 1939, as shown in the following table.

Year	Unearned Prem. Reserves	Liquidating Value	Net Operating Profits	Dividends
	($000)	($000)	($000)	($000)
1939	325,729	893,025	56,005	35,881
1940	350,272	895,868	58,671	36,471
1941	387,005	862,299	58,532	37,491

If this record does not seem to be as conclusive in some respects as the earlier one, it may be because it covers only three years instead of six, and the war period is not yet terminated; hence it is incomplete. Furthermore, with regard to the liquidating value of 1941 being lower than that of 1940, despite higher unearned premium reserves, this was due entirely to the low level of the stock market. Liquidating values for 1942 year-end will doubtless be reported substantially higher, though figures are not as yet available. Underwriting results, however, were lower, due to heavy marine losses early in the year, and consequently total net operating profits will be less than in 1941, and distort the trend. This experience, however, almost certainly will not be duplicated this year, and it is not at all unlikely that 1943 results may in most respects be such that the uward trend will be resumed. Thus the history of fire insurance companies, operating under war conditions, may repeat itself.

N. Y. Finance Institute Invites Visitors

The New York Institute of Finance, formerly the New York Stock Exchange Institute, has issued an invitation to all men and women employed in the financial district to visit next week's beginning sessions of a number of its evening courses. Among the new additions to its curriculum is a four-week course designed to show the taxpayer how to fill out this year's income tax return.

Half of the student body of the Institute of Finance is made up of senior security analysts and salesmen. Opportunity is afforded this group to study under specialists such highly complex subjects as the analysis of reorganization and marginal rail securities and the analysis of public utility operating and holding company securities.

Basic courses in commercial accounting and brokerage procedure are offered to young women recently employed in the downtown district.

The courses offered by the pre-induction training division of the Institute which have proven to be most popular are Mathematics for the Soldier, Army Paper Work, Celestial Navigation and Military Tactics and Analysis of Current Events.

The New York Institute of Finance, located at 20 Broad Street, offers only evening courses. All of its instructors are actively engaged in business during the regular working day.

Crutchfield Is Now Pizzini Co. Partner

B. W. Pizzini & Co., 55 Broadway, New York City, specialists in guaranteed railroad stocks, announce that Gale B. Crutchfield has been admitted as a partner in the firm. Mr. Crutchfield has been with the firm for some years in charge of the statistical department.

SEC Issues Report On Metal Machinery Mfg.

The Securities and Exchange Commission made public on Jan. 24 the ninth of a new series of industry reports of the Survey of American Listed Corporations. These reports cover the calendar years of 1940 and 1941 for companies with fiscal years ending in the same calendar year, and extend earlier reports which generally covered the period 1934-1940.

Report No. 9 includes 18 companies primarily engaged in the manufacture of metal working machinery, all of which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1941.

The SEC summarized from the combined totals some of the more important items in the report. The net sales for the 18 corporations amounted to $248,000,000 in 1941, compared with $144,000,000 in 1940, while the net profit from operations was $79,000,000 in 1941, and $39,000,000 in 1940. The net profit after all charges totaled $28,000,000 in 1941, as compared with $22,000,000 in 1940, equivalent to 11.3% and 15% of sales, respectively. Total dividends paid out by these corporations amounted to $15,000,000 in 1941 and $12,000,000 in the previous year. The combined assets of the group totaled $173,000,000 at the end of 1941, compared with $119,000,000 at the end of 1940, while surplus in the latter year stood at $70,000,000 against $56,000,000 in 1940. The total capital stock of these corporations remained unchanged in both years, at $26,000,000.

Murphy Elected V.-P.

BOSTON, MASS.—Timothy D. Murphy has been elected vice-president in charge of the municipal and trading department of Chace, Whiteside & Co., Inc., 24 Federal Street. Mr. Murphy has been associated with the firm for some time as manager of the municipal trading department.

Chicago Northwestern Bonds Look Good

Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange, have just issued a circular on Chicago Northwestern bonds, which the firm considers offer particularly attractive possibilities at current levels. Copies of this interesting circular may be had from Pflugfelder, Bampton & Rust upon request.

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PREFERRED DIVIDEND No. 177
COMMON DIVIDEND No. 141

A quarterly dividend of $1.50 per share on the Preferred Stock and a dividend of 20¢ per share on the no par value Common Stock have been declared, payable March 20, 1943, to stockholders of record at the close of business on February 23, 1943.

Checks will be mailed.

C. A. SANFORD, *Treasurer*
New York, January 27, 1943.

Borden's
COMMON DIVIDEND
No. 132

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable March 1, 1943, to stockholders of record at the close of business February 15, 1943. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

THE BUCKEYE PIPE LINE COMPANY
26 Broadway
New York, February 2, 1943.

A dividend of Twenty (20) Cents per share has been declared on the capital stock without par value of this Company, payable March 15, 1943, to stockholders of record at the close of business February 26, 1943.

J. R. FAST, Secretary.

COLUMBIAN CARBON COMPANY

Eighty-Fifth Consecutive Quarterly Dividend

The Directors of Columbian Carbon Company have declared a regular quarterly dividend of $1.00 per share, payable March 10, 1943, to stockholders of record February 15, 1943, at 3 P. M.

GEORGE L. BUBB
Treasurer

GREEN BAY & WESTERN RAILROAD CO.
The Board of Directors has fixed and declared Five percent to be the amount payable on Class A Debentures (Payment No. 47,) a dividend of Five percent to be payable on the capital stock, and one percent to be the amount payable on Class B Debentures (Payment No. 30) out of the net earnings for the year 1942; payable at No. 20 Exchange Place, New York, N. Y., on and after February 18, 1943. The dividend on the stock will be paid to stockholders of record at the close of business February 6, 1943.

C. W. COX, Secretary.
New York, January 28, 1943.

NATIONAL DAIRY PRODUCTS CORPORATION
A dividend of 20¢ per share on the Common stock has been declared, payable April 1, 1943, to holders of record February 27, 1943.

GEORGE H. RUTHERFORD
January 28, 1943 *Treasurer*

United Shoe Machinery Corporation
The Directors of this Corporation have declared a special dividend of 62½c per share on the Common capital stock, payable February 25, 1943, to stockholders of record at the close of business February 2, 1943.

WALLACE M. KEMP, *Treasurer*

The Securities Salesman's Corner

FIVE INTERVIEWS A WEEK!

"Give me just five interviews a week and I'll do business." This is what a competent salesman said to us last week—the way he said it you knew **he knew** what he was talking about. We replied, "why only five?" "Well," he answered, "it's this way—if I can have more than five so much the better — you know I mean **interviews, not calls.**"

This successful salesman (who is doing business in good volume) today went on to explain his theories of work. "When I speak of interviews," said he, "I mean that I will talk with people who own securities and are investment minded—in their kitchen, their parlor, or their office—and I don't mean for five or ten minues but at least for a half hour to as long as three or more hours." He went on, "then I know I am getting somewhere—I am making the sort of a beginning that I need to develop a customer—not just make a sale. I don't try any high pressure, I rarely make a sale until at least the **third** interview—I don't sell a security. I learned that lesson years ago."

Then he told us how he was in a little up-State New York town back in 1934 and he made a call on a local druggist who was known to be an investor. He said he went into this man's store and started to try and sell him a certain issue that his firm was recommending. After he was partly through telling this investor why he should buy such-and-such a bond the canny druggist turned to him and said, "young fellow, wait a minute I want to show you something." With that he went to his safe in the rear of his store and turning to the salesman said, "you see that safe, it's full of a lot of stocks and bonds." "Every one of you fellows who sold me those securities did the same thing you are doing—they told me why I should buy what I now have—if you can tell me something about what I have in there, now that I have them, maybe someday we can do some business together—but I am not nearly as much interested in buying what you offer me right now as I am in finding out what I've got—and why some of them are not paying interest NOW."

With that our salesman took the "cue." He's followed it ever since. He promised the customer to find out about the "lemons" (not the things that were sound). He prepared real reports, nicely put together. He mailed them to his druggist friend and a few weeks later he was in the neighborhood again he followed through with recommendations to eventually put those weaker situations back in the "A" list from their present position in the "B" list (that's the term he uses). He has now developed a technique for "getting the lists of securities that every real salesman desires from his clients." Next week in this column we are going to try and tell you some of the conversational tools this salesman uses to do this job. They are based upon common sense and they are valuable because they "work." Watch for them.

Proxy System Held Safeguard Of Management; SEC Plan Decried As Paradoxical, Unworkable

George E. Sokolsky, in his column "These Days," in the New York "Sun" of Jan. 27, on the question of proxies, states:

The essential reason for a corporation is continuity—continuity of management; continuity of existence. There are other advantages in the corporate form, but none is as socially important as the fact that a vast enterprise does not come to a standstill when the owner dies or the partners quarrel or when one of them wearies of business headaches and retires to shoot foxes or play badminton with his lady love.

A friend of mine who was president of one of the more important units of production in the United States reached an age — quite young, too—when he felt that he had done as much as he cared to in the field of manufacturing and distributing products useful to mankind. In all the years that he worked in mill and factory and office he had a secret hankering to be a photographer. When the day fixed in his mind came around he ruthlessly resigned his presidency, gave up a salary in the hundred-thousand-a-year class and devoted himself to selling photographs. But the corporation continued. No one was thrown out of work; the nation did not lose an essential unit of production.

Annual Mass Management

Now Ganson S. Purcell, who is Chairman of SEC, lacks a philosophic mind. He hits upon some abuse of a system, some infraction of the rules and he makes a great noise about that. But he fails to realize that every institution ever devised—including his own SEC—suffers from defects and from the aberrations of chiseling minds. The sound man corrects what is wrong and gets after the wrongdoers; the unsound man knocks down the entire structure—as a child does a wall of wood blocks—because he has discovered a flaw.

One of the flaws that trouble Mr. Purcell and the SEC is proxy voting. He says, "The proxy device has been sadly prostituted," which is an easy word to use. Actually the proxy system safeguards the continuity of management, for imagine what our great units of industry would be like if every year a new gang came in to run them! Imagine General Motors or United States Steel holding a mass annual election of management! The inconsistency of Mr. Purcell's thinking appears in the New Deal argument justifying a third and even a fourth term for President Roosevelt on the ground that there needs to be continuity of policy and management in the handling of the great problems which face the American people.

All of this relates to a bill proposed in Congress on Nov. 19 by Congressman Wolverton of New Jersey giving SEC greater power over proxies. And although the SEC had suggested that it would do nothing about this until the new Congress met, it actually legislated revised proxy rules which, in effect, would produce so paradoxical and unworkable a system that no corporation of any size could operate under it. In a word, instead of abolishing proxies, which would mean that a corporation that had a hundred thousand or more common stockholders could never meet because of the physical impossibility of holding such a meeting, the SEC goes into involved legalistic terminology which accomplishes the same result.

Soft for the Propagandist

One of the amazing devices that the SEC proposes is that any "qualified" owner of any security of a company shall have the right to have included in the call for a meeting a 100 word statement on any proposal which he wishes to submit to the stockholders. The SEC does not define the word "qualified," which is very confusing, the general designation for such a person being "record owner" or "owner of record." I can well imagine that such a call for a meeting might run a couple of thousand pages and might contain every hair-brained, idiotic, libelous suggestion from perpetual motion to a third vice-president being reported to have danced at a night club with one of the young ladies in the Errol Flynn case. A clever propagandist for a communist front organization could get enough stuff into such a statement to wreck the business of a company and none of it need be true, accurate, correct or provable. In a word, it would create a holiday for the liar, the crook, the blackmailer and for that galaxy of lawyers who live by what are known as minority stockholders' suits.

B'way Motors Bldg. Corp. Currently Attractive

The First Leasehold Fixed and Cumulative Income 4-6s due Feb. 1, 1948, of the Broadway Motors Building Corporation (General Motors Building) offer attractive possibilities according to a memorandum just issued by Seligman, Lubetkin & Co., Inc., 30 Broad Street, New York City. Copies of the memorandum describing the situation in detail may be had upon request from Seligman, Lubetkin & Co.

Supreme Court Holds SEC Ruling Invalid

The Supreme Court has set aside a Securities and Exchange Commission order holding that different treatment should be accorded preferred stock held by officers and directors of a company in reorganization and similar stock held by other groups.

The 4-3 decision delivered by Justice Frankfurter, involved a plan for the merger of Federal Water Service Corporation, a New York holding company, and two affiliates, Utility Operators Company and Federal Water and Gas Corporation. Justice Frankfurter in announcing the ruling admitted the SEC's right to establish broad rules applying to reorganization cases, but said that the court's opinion was restricted to the specific case of Federal Water Service. The court order directed the litigation to be returned to the SEC for any further proceedings which it might deem proper.

The SEC had contended that certain shares of preferred stock of the Federal Water Service Corporation had been purchased while various reorganization plans were under consideration and it would be "unfair and inequitable" and "detrimental to the interests of investors" to treat these shares on an equality with others in the merger. Approval was given the proposed reorganization plan on condition that the preferred stock purchased be surrendered to the reorganized company at cost plus 4% interest.

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Investment Trusts

WHAT THEY'RE SAYING

National Securities & Research Corporation's "Investment Timing" speaks of an intangible factor of great importance beginning to affect security prices. "This is a different spirit in the attitude of Government (in the widest sense) toward American business." Enactment of a pay-as-you-go tax plan should be a favorable market influence, according to this sponsor.

"New tax prospects constructive," headlines MIT's "Brevits." A 45% combined normal and surtax rate is the only significant change in corporation taxes looked for in the 1943 law. "There has been no indication to date that our best economists and tax experts, including several members of the Senate Finance Committee, have changed their belief that corporate taxes are already close to or at the practical maximum that can be levied under our economy without seriously impairing the quality of the war effort."

With bold strokes Mr. Philip W. K. Sweet, President of Fundamental Investors, paints an optimistic picture for 1943. As quoted in Hugh W. Long & Company's "New York Letter," Mr. Sweet analyzes step by step the major factors involved. "The great caution of investors and bearishness of many market students serves to complete a picture of the classical beginning of an important bull market." He concludes with, "The current situation warrants the maintenance of a fully invested position in favorably situated stocks and industries with the caution that an intermediate reaction of some importance may occur some time in the spring of 1943."

Using the dates of our entry into the first and second World Wars as starting points, Keystone Corporation's "Keynotes" points to a parallel in market action of securities for the two periods. "There can be no doubt of a United Nations Victory in this war—and the close parallel in market action suggests that the April, 1942, lows may correspond to the December, 1917, lows of the last war—the turn in the tide."

Hare's, Ltd., has mailed to security dealers a circular containing an open letter to the newly elected Congress challenging the Executive Decree limiting salaries to $25,000. The letter is by Norman Vincent Peale and pulls no punches in making its points. Both Washington and Karl Marx are quoted—Marx in saying that he would found his movement on a more dynamic force, namely, "class antagonism instead of human brotherhood which was tried for 18 centuries and failed." Hare's urges that we do our bit by writing Senator George of the Senate Finance Committee. Our hats are off to this sponsor for his courage in taking a stand alongside Chairman Peale's Committee For Constitutional Government.

"Romance returns to the stock market," writes Selected Investments Company's "Selections." Super fuels, new drugs, electronics—"American industry and its research laboratories are opening up a new future which will probably contain as many wonders as those which it produced in the past."

The Broad Street Sales Corporation's "Broad Street Letter" emphasizes that, despite the unknowns, the investor may be sure of one thing. "The future will be fraught with many occasions calling for sound appraisal and judgment. Under these circumstances, the time-honored principle of broad diversification is one means of fortification against the unknown."

Investment Company Literature

"Stewardship," a booklet describing the personalities and the organizations which constitute the sponsorship of the Lord, Abbett group of investing companies. In the words of the sponsor, "This booklet is simple recognition of the fact that the human element cannot be left out in consideration of any organization or institution. Important as may be such matters as charter provisions, corporate organization, trusteeship and the like, the question 'Who are the people?' is ever present, and properly so. This booklet is an attempt to answer that question."

"Portfolio Information" — separate folders covering Union Bond Funds A, B and C and Union Preferred Stock Fund. Also a folder, "Brief Summary," on Union Preferred Stock Fund.

* * *

Distributors Group, judging from the literature received by this column recently, has decided to distribute a lot of Group Securities Railroad Shares — it's been a long, long time since we've

(Continued on page 491)

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Municipal News & Notes

Coincident with the publication in today's columns of an advertisement by the city indicating the principal results of seven years of operations by the municipality on a pay-as-you-go basis, attention of investors is directed to the fact that a report analyzing the city's financial operations in detail has been issued by the firm of Wainwright, Ramsey & Lancaster of New York, financial consultants, whose services to the city date back originally to 1935.

The report sets forth the details of the annual budget operations each year from 1936 to 1942, inclusive, of the general budget funds and of the water department, and calls attention to the operating surpluses of each fund resulting from conservative budget policies.

The report shows a consistent downward trend of the net public debt and calls attention to the reduction of $17,195,848, or 24.2%, accomplished since Jan. 1, 1936, when the city went on a cash basis.

In an analysis of the cash operations of all accounts, the report shows that "unencumbered cash surplus on hand Jan. 1, 1936, together with net additions during the seven-year period, made available $21,288,100 for budgetary purposes. Of this amount $12,908,260 was appropriated to reduce annual tax levies. As a result there is now available for future budget purposes a free cash surplus of $8,379,840, equivalent to 26.2% of the city's total 1942 general budget expenditures."

The report points out: "It is important for investors to know the facts and not to be misled by statements either of political origin or made by persons whose ignorance of Jersey City's finances is nothing short of amazing. On the basis of sound analysis and on comparison with the record of financial management of other leading municipal credits, Jersey City's record of financial management is outstanding.

The annual audits of the city's records are made available by the city to anyone on request and are also filed annually at the office of the New Jersey State Department of Local Government in Trenton, N. J.

Chemical Bank Issues 10-Year Price Record

Emil C. Williams, Assistant Vice-President of the Chemical Bank & Trust Co., New York, has just made available the ninth edition of the bank's Annual Price and Yield Comparison on approximately 200 State and municipal bonds. The analysis, Mr. Williams says, presents an informative record of market changes in individual credits during the past decade. Of particular interest to individuals ind institutional buyers of municipal bonds is the renewed trend revealed in the study to lower income levels, despite intermittently disturbing market influences such as Pearl Harbor, day-to-day war news and other developments.

While prices generally have advanced through the levels of a year ago, it is noted, only about 10% of the bonds listed extended the recovery through the highs established in 1940. This latter group, it was said, includes Little Rock, Ark., New York City, Detroit, Chattanooga, Knoxville, Lexington, Ky., Minneapolis, State of Missouri, Kansas City, Mo., Great Falls, Mont., Raleigh, Akron, Toledo, State of Oklahoma, Charleston, S. C., State of South Dakota, State of Virginia, Norfolk, State of Washington and Seattle.

In supplemental studies the price and yield averages of all bonds listed maturing in 10 to 25 years, as well as a selected group of 20 cities to represent various credit classifications and a broad geographical cross-section of the entire list, provide not only the annual changes but also an extremely interesting parallel of the year-by-year price and yield movements. While these studies show the average advance in prices between 1933 and 1942 to be 36⅝ and 33 points, respectively, quite a number of individual credits have during this period improved more than 50 points—Cleveland heading the list with 70½, Detroit next with 65⅗, Little Rock 61⅞, Tampa 61⅛, Elizabeth 58¼, Birmingham 54¼ and Raleigh 52 points. Others show gains of more than 40 points.

Ohio Municipals Exempt From Intangibles Tax Law

J. Austin White, of J. A. White & Co., Cincinnati, announces his intention to send to the firm's clientele every two or three weeks a "Municipal Letter," dealing with some subject pertinent to municipal bonds. Mr. White's opening letter, dated Jan. 27, deals with the various local bond issues which are exempt from the Ohio Intangibles Tax Laws and is reprinted in full text herewith:

Prior to 1931, all property in Ohio was taxed at a uniform rate, as required by the State Constitution. In November of 1929 the people of Ohio amended the constitution, effective Jan. 1, 1931, to permit the State Legislature to classify property for taxation purposes, although retaining the provision that "Land and improvements thereon shall be taxed by uniform rule according to value." Pursuant to the new authority, the Legislature classified personal property under different rules of taxation. Intangible personal property has been divided into two general classes, viz. that which is producing an income, and that which is unproductive. Income producing intangibles are taxed at a certain percentage of the income, while unproductive intangibles are taxed at two mills on the dollar, or three mills, depending upon its particular classification.

This letter is chiefly concerned, of course, with interest paying municipal bonds, which, being productive intangibles, are at present taxed at "five per centum of the income yield." Income yield has been construed to mean the actual money received as interest on a bond, regardless of the yield at which the bond may have been purchased. Thus the tax on a $1,000 4% bond is 5% of $40.00, or $2.00, per year, regardless of whether the bond is purchased at 100 to yield 4.00% or at 110 to yield 1.00%.

The purpose of this letter is to emphasize that there are certain bonds exempt from this Intangibles Tax. This exemption is provided in Article XII, Section 2 of the State Constitution, which stipulates that "All bonds outstanding on the first day of January, 1913, of the state of Ohio, or of any city, village, hamlet, county or township in this state, or which have been issued in behalf of the public schools of Ohio and the means of instruction in connection therewith, which bonds were outstanding on the first day of January, 1913 and all bonds issued for the World War Compensation Fund, shall be exempt from taxation." Not only are such Ohio municipal bonds issued prior to 1913 free from the intangibles tax, but moreover, the holder of such tax free bonds is not required to list with the State or county taxing authorities either the bonds themselves, or the income therefrom.

The intangibles tax on a 4% bond, of course, amounts to the equivalent of .20% in net yield on such bond. In other words, a 1.00% yield on such a tax free 4% bond is the equivalent, for investors who pay this tax, of a yield of 1.20% on the same bond issued since Jan. 1, 1913. Finally, it is worthy of consideration to realize that the amount or rate of the tax is set by legislative action and may be changed merely by act of the Legislature, but the exemption from such taxes cannot be changed by the Legislature, such exemption being expressly stated in the Constitution itself.

Bill Would Remove Municipals From SEC Control

Under the provisions of a bill (H. R. 1502) introduced in the House by Congressman Lyle H. Boren of Oklahoma, the Securities and Exchange Act of 1934 would be amended in such manner as to definitely eliminate any doubt as to exemption of transactions in municipal securities from the regulatory powers of the Securities and Exchange Commission. The need for such legislation has its origin in the action of the Commission in including municipal securities within the scope of the highly controversial proposed bid and asked disclosure rule.

This proposed rule, as a matter of fact, created such widespread opposition from all parts of the securities industry, that the Commission has never attempted to make it effective and, from all indications, there is little reason to expect that it will ever be made operative, certainly not as originally formulated.

In announcing the introduction of the above-mentioned measure, Congressman Boren pointed out that despite the declared intent of Congress that municipal bonds were to be exempt from SEC jurisdiction, the Commission has attempted to exercise such control and to justify the attempt by reference to two sections of the original Securities and Exchange Act, which Congress had failed expressly to state should be inapplicable to "exempted securities."

This omission, Mr. Boren says, "was clearly repealed, by implication, by the later amendments of the statute in 1936 and again in 1938, otherwise Congress went through a mere idle ceremony in each of these years when it deliberately denied this power to the Commission after extensive hearings upon the subject. The fact that the Chairman of the SEC," Mr. Boren continued, "takes the position that the action of Congress in 1936 and again in 1938 was ineffectual to accomplish its purpose, makes it imperative that the Congressional intent be made more explicit upon this point so that there may be no possibility of misunderstanding."

Mr. Boren's measure is also intended to divest the SEC of its present authority to define fraudulent devices and contrivances as set forth in paragraph 15 (c) of the Securities Exchange Act of 1934. The appropriate sentence according the Commission such authority would be eliminated from the Act. Such action is necessary, he said, for the reason that the power in question is legislative in character and therefore should be exercised only by Congress. This would leave up to Congress, rather than to an administrative bureau, the highly important task of defining any acts not now constituting a criminal offense, which it is believed desirable to include in that category.

Birmingham, Ala., License Tax Revenue Producer

The above-mentioned city has made business license taxes a good revenue producer since 1873 by matching them to changing business methods and giving them "a faithful and fearless administration," a report to the Municipal Finance Officers Association said, Feb. 2. While most cities secure about 6% of their revenue from business licenses, Birmingham has gained 16 to 30% of total revenues from this source for the last 70 years, according to the report. The business license levy, which in 1942 brought in $2,100,000, originally was chosen as a source of revenue because the city, lacking control over property tax assessments, could not increase income from this source when it was necessary.

Revenue from the business license tax has been stable, fluctuating less with changing economic conditions than the property tax. The business levy supplied between 16 and 17% of total revenues until 1930, when special excise or consumers' taxes were levied as additional business licenses on gasoline, cigarettes and alcoholic beverages. From 1930 to 1942 the revenue has represented from 18 to 30.5% of the total.

Illinois Investment Bill Signed By Governor

Governor Dwight H. Green signed on Jan. 28 a bill permitting investment of the State's surplus funds in any Federal securities maturing not later than June 30, 1945. The surplus amounted to $60,340,000 on Jan. 20. State Treasurer William G. Stratton said that the State has $31,440,000 invested in 91-day Treasury bills and $28,900,000 in Treasury certificates maturing up to one year. He added that the new law will permit the investment of several million dollars in longer-term obligations.

Illinois probably is the first State to enact a measure of the character in question, although a number of other States have announced intention to employ currently large surpluses in the same manner. Actually the measure signed by Governor Green was the first bill passed at the present session of the State legislature. In signing the bill, the Governor commented as follows:

"Investment in Federal war securities has another advantage to the State in that it will safeguard the surplus now in the treasury and make it available for use after the war is over, when an adequate program of reconstruction will be necessary."

St. Louis Borrows To Meet Debt Service

Sharp decline in toll collections from the Douglas MacArthur Bridge resulted in the recent "unprecedented action" of the Board of Estimate and Apportionment of approving the borrowing of $100,000 from the general revenue fund to cover Feb. 1 bond principal and interest charges on 1933 and 1934 relief bond issues. Total payments aggregate $822,000. The same condition caused the board to approve an increase in tolls for trucks and trailers using the bridge from 15 cents to 25 cents.

Deputy Comptroller Charles L. Cunningham, secretary of the board, explained that traffic on the vehicular deck of the bridge had fallen off 14.38% from the 1941 level during the last year. December tolls, after gasoline rationing, were 44.65% below the December, 1941 level, he said.

As a result, Cunningham said, this fund—normally sufficient to meet the bond obligation—will be about $100,000 short on February 1. The proposal for toll increase was prompted by the board's conviction the December slump would be continued throughout 1943, making it necessary to obtain more revenue.

Tolls from the vehicular deck during 1942 were $882,329, as compared with the 1941 total of $1,030,487. The December revenue year was only $47,312, as compared with $85,462 in the same month in 1941.

Tennessee State Report Issued By Census Bureau

Finances of the State of Tennessee for the fiscal year ended June 30, 1942, are analyzed in a report just issued by the Department of Commerce, Bureau of the Census and similar reports covering the remaining 47 States will be issued shortly. In announcing the issuance of the Tennessee data, Lewis B. Sims, Acting Chief Statistician, Division of State and Local Government, states that it is evidence of a continuance of last year's improvement in currency of publication and scope of content of the Census Bureau's annual series on finances of States. The 1941 report on Tennessee was not released until September, 1942. Corresponding speed-ups in publication of the Census Bureau's series on finances of cities having populations in excess of 100,000 are planned.

In addition to increasing the scope of the data presented, the Bureau also announces the modernization of concepts used. This includes, among other changes, the change in policy whereby statistics of sinking and trust funds are no longer consolidated with those of the general funds, but are set forth separately. Similarly, expenditures made by governments for debt service are now recognized. The reporting of county finances was inaugurated by the Census Bureau last year.

Tax Economy Feature Governors' Messages

Full cooperation in the war effort, post-war planning, economy in all but war-needed expenditures and old age assistance, and a minimum of new taxes were urged most generally by governors in inaugural addresses and messages to legislatures of 42 States convening this month, the Council of State Governments reported Jan. 25.

Prefacing suggestions for post-war planning, the governors stressed necessity of state cooperation in the war effort in matters ranging from speed reduction to health and welfare. Chief executives of at least 10 States—Arizona, Connecticut, Michigan, Nebraska, New Hampshire, Minnesota, Missouri, Pennsylvania, Rhode Island and Vermont—asked their legislatures to grant them broad emergency powers.

Defense councils of a number of States should be reorganized and granted more funds, their governors said. Connecticut's Governor Baldwin suggested setting up an "all over" war council to handle manpower and material as well as other problems.

Post-war planning proposals outlined by Governors of Arkansas, Colorado, Michigan, Ohio and Wisconsin suggested earmarking of highway and general fund surpluses for building and other construction after the war. Governor Dewey of New York made the reservation that "public works can be only a fraction of the total effort in post-war reconstruction"; the State, he said, must look forward to post-war planning of social welfare, and take over other tasks now performed as a wartime necessity by the Federal government.

New commissions were proposed by a score of governors to study post-war economic opportunities; others asked continuance of existing commissions.

Although many States report surpluses, not all governors are anxious to see tax reductions at this time. West Virginia's Governor Neely declared "drastic tax cuts are unsafe," while Governor Stassen of Minnesota opposed tax reduction because "it would add to inflationary power." On the other hand: Governor O'Conor of Maryland proposed reduction of the 2% State income tax, retroactive on 1942 earnings; Governor Sharpe of South Dakota asked repeal of the State income tax; Governor Snell of Oregon asked his legislature to consider cutting the property tax; Governor Bricker of Ohio asked removal of the sales tax on hotel and restaurant food and on medical prescriptions.

"No new taxes" was the stand taken by most of the governors. However, new cigarette and income levies were proposed by the governor of Delaware, and a new truck weight tax was suggested in Indiana.

Increases in old age pensions and other forms of public assistance such as aid to dependent children and the blind were proposed to legislators of Arizona, Colorado, Kansas, Michigan, Minnesota, New Jersey, and Utah; in Utah, Governor Maw asked that old age assistance recipients be permitted certain earnings to encourage them to work.

Reduction in highway department services was the specific economy mentioned most frequently by the governors in addition to the general recommendation that all building construction by State and local governments be suspended during the war.

At least nine governors favored changes advantageous to the worker in unemployment compensation laws, suggesting increases in weekly benefits and lengthening of the benefit period. Governor Bacon of Delaware proposed raising benefits from $15 to $18 a week, while Indiana and Maryland governors would raise benefits in their states to $20. Governor Stassen urged the Minnesota legislature to extend unemployment compensation rights to service men so they can collect immediately from a "backlog" set up by the State if they cannot obtain jobs after their return from war. Governor McGrath asked liberalization of the Rhode Island unemployment compensation law for the same purpose.

Special measures to safeguard rights of men and women in the armed forces were recommended by many governors. Governor Adkins of Arkansas uprged suffrage for 18 and 19 year olds. Governors of Montana, South Carolina and Vermont sought new absentee voting provisions. Use of $5,000,000 of the State surplus for postwar aid to veterans was urged by Governor Stassen, while Ohio's governor suggested setting up a rehabilitation program in education for returning servicemen and women.

State Horse Racing Revenues To Drop

While race tracks returned a record-breaking $26,500,000 in revenues last year to the score of States where pari-mutuel betting is legal, returns from this source in many cases are due for large declines in 1943 because of gasoline rationing and bans on pleasure driving.

The $26,500,000 revenue total represents the States' share of the $560,000,000 wagered at tracks, and revenues from track and occupational license fees and admission taxes. Since track revenues of many of the States represent substantial additions to their budgets—New York obtained $10,021,485 from racing in 1942 and Florida received $4,392,861—fiscal as well as racing officials are concerned about the future of the sport during the war.

The ban on racing in California last year illustrates effect of the war on State revenues obtained from the sport, according to the Council of State Governments. California obtained nearly $4,000,000 in taxes from pari-mutuel betting and license fees in 1941 compared to less than $500,000 in 1942.

Florida revenues from racing, totaling $4,392,000 last year, may be all but wiped out in 1943 because of the Eastern gasoline shortage and the ban on all pleasure driving in that area. Latest reports are that Florida tracks have suspended their Winter meetings.

And unless race tracks in all the States along the Atlantic seaboard, and in other States as well, are located well within metropolitan limits or easily accessible by local transit facilities, racing may well be curtailed drastically or eliminated in many of these States, with resulting elimination of this source of revenue, according to the council.

Aside from those already noted the following States received more than $1,000,000 in revenues from race track activities in 1942: Illinois, $2,443,208; Maryland, $1,833,270; Massachusetts, $1,599,091; New Jersey, $1,065,435, and Rhode Island, $1,742,711.

States Urged To Combat Further Federal Control

Governor Herbert R. O'Conor of Maryland, President of the Council of State Governments, in addressing the opening session of the sixth general assembly of the council in Baltimore on Jan. 24, called upon the States for vigorous opposition to the increasing centralization of powers in Washington. He added that the "States can blame none but themselves if their future power (over their own affairs) is sapped by inaction and indifference."

Urging that a strict watch be maintained for the protection of State rights, Mr. O'Conor declared that the States had demonstrated the ability to "cope with changing conditions to meet any emergency" and abjured them to "carry on without letup or limit the part which is rightfully theirs in the present crisis."

"The war was being fought and would be won," he continued, "by the men and sinews of the 48 States, not 'by some detached central agency.'"

Major Sales Scheduled

The calendar of forthcoming municipal sales includes the following items of $500,000 or more:

February 9

$1,600,000 Baltimore Co., Md., Metropolitan District Bonds.

Last offering of similar bonds was purchased by Alex. Brown & Sons, Baltimore, and Associates, the second high bidder being the Mercantile Trust Co., Baltimore, syndicate.

February 10

$7,000,000 Seattle, Wash.

These bonds are part of the $7,900,000 issue originally scheduled to be sold on Jan. 26.

February 11

$600,000 Erie County, N. Y.

Halsey, Stuart & Co., New York, purchased the last previous issue, and an account headed by Lehman Bros., New York, tendered the next best bid.

February 16

$600,000 St. Louis, Mo.

Successful bidder for the last previous issue was the Bankers Trust Co., New York, and the Mercantile-Commerce Bank & Trust Co., St. Louis, jointly. Second high offer was made by J. P. Morgan & Co., New York.

Fuel Oil Denied Theatres For 10 Days In 3 States

Kenneth B. Backman, regional director of the Office of Price Administration, last week announced that effective at midnight on Jan. 30, and for a period of 10 days until midnight on Feb. 9 (unless order is revoked earlier), theatres and other places of amusement heated by fuel oil in Massachusetts, Connecticut and Rhode Island will be denied fuel oil supplies under an emergency order restricting fuel oil deliveries, according to a United Press dispatch from Boston, Mass., which further states:

The order is designed to control the equitable flow of fuel oil to essential users. It provides that no person who already has a seven-day supply may purchase or accept delivery of any fuel oil other than kerosene. No dealer may sell or deliver to such a consumer during the ten-day period.

Deliveries of fuel oil during the emergency period are restricted to an estimated ten-day supply. Deliveries are prohibited to consumers for use in buildings operated exclusively for purposes of amusement, entertainment, athletics and sports.

Mr. Backman said the order, his second in as many days, was motivated by the alarming rate at which supplies of No. 2 household and bunker C industrial oils were being exhausted. The first order set up a kerosene priorities system to expedite deliveries to householders.

Kerosene Priorities Set Up

A system of priorities on kerosene deliveries was ordered in New England on Jan. 29 under the first emergency order issued by the Office of Price Administration, according to United Press dispatches which further added:

Only Maine and a few Northern Vermont Counties were exempt from the order which came after Kenneth B. Backman, regional OPA director, reported that only a half day's supply was on hand.

The major provisions of the order were to limit deliveries to a maximum of 25 gallons and deny kerosene to persons with central heating in their homes or stores.

Mr. Backman said that the order would be in effect for ten days, but might be extended. He also indicated that furnace oil and bunker oil might be put under a priority system unless conditions improve.

The priorities were these:

Any consumer who needs kerosene for an emergency involving a serious threat to life or health.

Consumers who occupy residential buildings where there is no central heating system.

Consumers who use kerosene exclusively in their heating systems.

Consumers who need kerosene for domestic cooking.

Industrial consumers in order of their importance to the war and civilian needs.

The order said that no persons could obtain kerosene until all persons with a higher priority had filled their needs.

War Work Or War Front New Draft Order

A new policy on deferments from military service was laid down by the War Manpower Commission on Feb. 2, when local draft boards were notified that they should consider certain activities and occupations as "non-deferrables" and that all men from 18 to 38 engaged in them, regardless of their dependency status, will have to find essential war jobs or face induction.

Paul V. McNutt, Chairman of the WMC, said, at a hearing of the House Military Affairs Committee on Feb. 2, that "by the end of this year ten out of every 14 of the able-bodied men between 18 and 38 will be in the armed services."

The WMC's Selective Service Bureau instructed draft boards to start April 1 reconsidering the status of the new "non-deferrables." However, any of these workers who have registered with the United States Employment Service in an effort to get jobs more important to the war will have until May 1 to find new places.

The order affects male workers in 29 occupations, listed as "non-deferrable regardless of the activity in which they are found" and those employed in 19 manufacturing, 8 wholesale and retail trades and 9 service activities. The list is only beginning and will be expanded as war production needs increase.

JERSEY CITY, NEW JERSEY

A SEVEN-YEAR RECORD *of* SOUND FINANCE

To Investors: The Board of Commissioners feels that those of you who have invested your money in Jersey City's bonds should have the **facts** as to the City's financial condition and an opportunity to look at the noteworthy record of the City's performance on a pay-as-you-go basis for the past seven years. The principal financial results are shown below and are taken from the annual independent audits of the City's records.

CASH SURPLUS

The result of conservative budgetary operation is evidenced by the free and unencumbered cash surplus on hand after all obligations of each year were paid in full:—

1936	**$1,761,789**
1937	**4,479,796**
1938	**3,315,963**
1939	**4,320,245**
1940	**3,751,295**
1941	**6,383,549**
1942	**8,379,840***

*Equivalent to **26.2%** of total 1942 General Budget expenditures.

DEBT REDUCTION

Since January 1, 1936 Jersey City has reduced its Net Public Debt $17,195,848, or 24.2%.

DEBT	*January 1, 1936*	*December 31, 1942*
General & School	**$62,763,564**	**$48,972,130**
Water	**15,200,255**	**12,662,255**
Total Outstanding	**$77,963,819**	**$61,634,385**
Less: Sinking Fund Assets	**6,790,705**	**7,657,119**
Net Public Debt	**$71,173,114**	**$53,977,266**

NO BORROWING FOR RELIEF SINCE 1936
NO TEMPORARY INDEBTEDNESS

THE BOARD OF COMMISSIONERS
JERSEY CITY, NEW JERSEY
FRANK HAGUE, *Mayor*

February 3, 1943

Population 1940 Census 301,173

Treasury Pay-As-You-Go Tax Plan Favors 24% Withholding Rate—Opposes Ruml Plan

The Treasury Department on Feb. 2 recommended that Congress, in designing a pay-as-you-go income tax system, enact a withholding tax of 19% (after deductions) for the first bracket, to begin not later than July 1, but took a firm stand against completely forgiving a year's tax liability, as proposed in the Ruml plan, in order to make income payments current.

Randolph E. Paul, General Counsel of the Treasury, told the Committee that if the "basic liability" were collected at the source (the 6% normal tax plus the minimum 13% surtax) about 30,000,000 of the 44,000,000 taxpayers estimated for 1943, or nearly 70%, would be current. The proposed 19% withholding levy would be in addition to the present 5% Victory tax, thus making the total withholding tax 24%. Mr. Paul suggested that the new 19% "withholding" levy be applied to all weekly income in excess of $11 for a single person, $26 for a married person, and $8 for each dependent.

Associated Press Washington advices reported as follows regarding the Treasury proposals:

Under the Treasury plan the withholding levy would start July 1 at the latest. On March 15, 1944, the taxpayer would file a return on his 1943 income as usual. If the amounts he had paid exceeded the tax liability for the year, he would get a refund. If he still owed the government money, he would pay the balance due. The vast majority of taxpayers would find themselves about even with the Treasury, Mr. Paul said.

Although he opposed skipping all 1942 taxes on the ground that it would wipe out $10,000,000,000 of Treasury "assets," Mr. Paul indicated the Treasury would be willing to "forgive" some of the taxes—just how much was not stated.

Opposing the proposal of Beardsley Ruml, New York department store executive, to put taxpayers on a current payment basis by forgiving all 1942 taxes, Mr. Paul said:

"In the light of the revenue needs of the government and the equitable distribution of the tax burden, complete forgiveness seems very undesirable. Complete doubling up (payment of two years taxes in one) would undoubtedly be too harsh for some taxpayers. Accordingly, deferment of payment of taxes for the transition year to the extent necessary to relieve such hardships appears to be desirable. This is not to say that some discount, or even a certain amount of forgiveness, may not be found to be desirable for the same reason."

The Treasury tax official read a 17-page statement to the committee. Discussing the effect of forgiveness on Federal revenues, he said:

"The tax liability of the taxpayer is an asset of the government, although it is not counted as such in the general accounts of the government. Forgiving a year's tax would wipe out assets of this kind amounting to close to $10,000,000,000 — the estimated amount of individual tax liabilities on 1942 income.

"The government by forgiving a year's tax liabilities would be discarding assets as a business would that canceled its accounts receivable from customers. Such a business might be able to maintain its receipts by going on a cash sales basis. Yet no one would say that the business had not lost assets to the extent of the accounts canceled."

As to whether an attempt should be made to bring completely current the tax on incomes which extend into the higher surtax brackets, Mr. Paul said: "It seems desirable that they should be made as nearly current as possible, subject to inevitable adjustments which cannot be made until the following year. But if the compliance difficulties of making taxes on such incomes fully current are deemed too great, substantial currency for the great majority of taxpayers can be achieved by making the basic liability current with payment of the balance in the same manner as the whole tax is collected at present, namely, in the following year."

With respect to income derived from sources other than wages and salaries, and thus not easily adapted to collection at the source, Mr. Paul said "it seems desirable that the tax should be based on the current year's income" but added that "further exploration may be needed to determine whether this could be done more simply by an annual estimate in March with periodic adjustments, or by a quarterly statement of income."

He said that "it seems imperative" that the collection at the source system should be based on marital and dependency exemptions allowed under the law.

"Otherwise," he said, "the amounts collected would be so far from the amounts due as to fail to meet the objectives of collection at source in any satisfactory manner. Such a collection at the source system can readily be handled by employers."

Our Reporter's Report

(Continued from first page)

New Jersey Zinc

One of the biggest secondary stock distributions in many months loomed as a not distant possibility coincident with reports that the estate of the late Edgar S. Palmer, is considering the sale of a block of the stock held.

Early reports suggested the block might run to 400,000 shares, but it is since indicated that Mr. Palmer disposed of a part of his holdings prior to his death.

Now it is indicated that the deal may involve some 275,000 shares, and a number of banking groups are reported forming to seek the business which it is understood may be awarded on the basis of competitive bids.

Municipal Liquidation

There are indications, according to market observers, that the recent persistent institutional liquidation in municipal obligations is running its course.

Such selling has been traced chiefly to life insurance companies which in recent weeks have been culling their portfolios and slipping out of part of such holdings.

Several of the large block sales have been publicized, but there has also been a goodly sized accumulation of lesser sales which have attracted little attention outside the market itself.

New Proxy Rules

The Securities and Exchange Commission quite evidently has let itself in for a sizeable peck of trouble through its arbitrary action in drawing up the new proxy rules recently announced.

Opposition and resentment is not limited to transfer agents and others whose work will be vastly expanded by the new rulings, but rather has spread to a wide variety of interested parties.

Moreover, one of its assistant solicitors, by reason of a recent statement attributed to him in the press, has been accused by Representative Wolverton (R.-N. J.), of placing himself "entirely beyond the scope of laws created by Congress."

So incensed is the Congressman that he is determined to demand that the SEC official in question, along with the Commission chairman, be called to "expound their philosophy" before a Congressional Committee.

Housing Loans Still Lead

Housing Authority Loans which have been the mainstay of the municipal market since the turn of the year, bid fair to hold that position for some time ahead.

Next Tuesday the Baltimore Housing Authority plans to sell an issue of $14,212,000 temporary notes to mature in May, 1944. Seattle, on the following day, will market $7,000,000 light and power revenue bonds.

A number of smaller municipals are also in the mill.

Newspaper Prices Up Throughout Nation

On top of increased prices of newspapers in various parts of the country, heretofore noted, other papers have indicated that similar action has been taken. As to the increase in prices of Boston papers outside the Boston area, the Providence "Journal" of Jan. 17, said:

"Effective today the Boston Sunday Herald and the Boston Sunday Globe have raised their prices from 10 cents to 12 cents in Rhode Island and everywhere outside the zone extending 30 miles from Boston.

"These increases follow increases recently from 12 to 15 cents in the price of the New York Sunday Times and the New York Sunday Herald-Tribune outside the metropolitan area. Those papers previously had increased their prices from 10 to 12 cents.

"On Jan. 17, 1943, the Boston Sunday Advertiser will increase its price from 10 to 12 cents outside the 30-mile-from-Boston limit."

From Binghamton, N. Y., on Jan. 29, the Associated Press reported:

"The Binghamton Press, evening newspaper, announces an increase from 20 to 24 cents weekly in the price of carrier-delivered copies, effective on Monday. The increased cost of materials made the increase necessary, the paper said."

Likewise from Rutland, Vt., Jan. 29 the same advices stated:

"The Rutland Herald and the Burlington Free Press have announced that the price of their daily editions will increase from four cents to five cents, effective on Feb. 1. Both are morning newspapers. They said that rising costs of production and distribution caused the price increase."

On the same date, Jan. 29, the press advices made known the following from Detroit:

"The Detroit News, an evening newspaper, announced today that the price of its daily edition would be increased on Feb. 1 from three to four cents and that the Sunday paper would be sold for 12 cents a copy instead of the present ten. Similar action was announced yesterday by Detroit's two other papers—the Times (evening) and Free Press (morning).

"The News' announcement pointed to wartime conditions which have greatly increased the cost of production and distribution."

Action taken in West Palm Beach, Fla., was indicated as follows Jan. 17 by the Associated Press.

Publishers of the West Palm Beach daily newspapers — the Morning Post, the Evening Times and the Sunday Post-Times—announced today an increase in subscription prices, effective immediately.

The new rate is 30 cents weekly, daily and Sunday; 25 cents weekly, daily only, each up five cents. The price of single copies remains at five cents daily and Sunday.

In a front-page announcement the publishers said:

"We are faced with a question. In view of vastly increased publishing expenses and declining revenue, would it be better to increase cost of subscription rates or reduce amount of information supplied our readers?"

The answer was that readers want more news, the announcement said.

In St. Petersburg, Fla., Jan. 16, publishers of the Evening Independent, pointing to increased costs of production, announced an increase in subscription rates. The weekly rate (six issues) will be 20 cents, an increase of five cents.

A reference to increased newspaper prices appeared in our Jan. 28 issue, page 423.

DEALER BRIEFS

(Continued from page 484)

Memphis, Tenn.

We find that there is a good demand for Tennessee, Mississippi and Arkansas municipals—particularly highway issues. Local buyers have confidence in their respective States and believe they will meet maturing bonds without interruption.—*Joe H. Davis, Bond Dept., The First National Bank of Memphis.*

There is considerable investment money in this territory. It is in the hands of the Banks, Estates, and Individuals. The buying interest is in the municipal bonds native to this territory, with especial emphasis on bonds issued by the States of Mississippi and Arkansas. The keen interest in these two items is because of the local knowledge of the situations. Also, there is an interest in the bonds issued by the Counties and Cities of these States. As to stocks, we find the Individual interest in Air Line Stocks because of present proved operating ability and the fine prospects the future holds for such enterprises. Chicago and Southern and American Air Lines hold the most local interest, again, because the operations of these two lines are visible and known hereabouts. We can not complain of what has come to us, and predict for the business as a whole much more than the dark, drab future so many are wont to see.—*Groom Leftwich, Leftwich & Ross.*

Individual investors are cleaning our market of local securities. There is good investment demand with few offerings. Our medium grade municipals are moving, for the most part, at new highs. Quality offerings are more limited than ever.—*Gordon Meeks, Gordon Meeks & Company.*

Deposits are at an all-time high in the local banks which shows there is an abundance of idle money; we find a good demand for all municipal bonds and all of the better known local stocks. Some of our customers are buying listed securities; there is little speculation. —*L. K. Thompson, L. K. Thompson & Company.*

Nashville, Tenn.

Since the first of the year advancing prices, as reflected by our Southern Municipal Bond Price Index, have driven yields down .05% on the city group and .06% on the state group. Considering the dearth of new issues, activity has held up amazingly well and is largely accounted for by the institutional liquidation coupled with a strong demand from commercial banks. Our view for the near future is that, unless disturbed by adverse news, the market for tax-free loans will continue firm.—*Equitable Securities Corporation.*

Life Insurance Companies continue to sell municipals and buy governments and the bonds are going into the hands of individuals, trust accounts and commercial banks. In the latter case, this is especially true of revenue issues which offer an attractive yield at the tax differential. Individual investors are showing a preference for equities, particularly those having a long record of dividend payments, such as fire insurance stocks.—*Walter M. Robinson, Nashville Securities Company.*

"Black Gold" In "Them Thar" Hills

(Continued from page 484)

field was discovered on its property early in 1941, and income from this source in the first quarter of 1942 was said to practically equal the earnings from coal. This gives the stock added attraction. The company has been using the income from oil to purchase and retire its 5% preferred stock, and when this has been completed the common dividend should be increased.

The foregoing companies operate in the Illinois field where production has increased from 41,912,085 tons in 1938 to an estimated 65,000,000 tons in 1942.

De Bardeleben Coal 4s (Alabama) 15F in 1938—55 today.

Logan County 4s (West Va.) 7F in 1938—now about 50 bid with no offerings under 80.

Elkhorn 4s (Kentucky) 35 in 1938—95 today.

Consolidation Coal 5s (Maryland, West Va., Penna., Kentucky) 50 in 1938—95 today.

There are others which could be mentioned but this brief comment is not intended to be a complete review of the list.

It goes without saying these advances did not occur simultaneously for the simple reason that the attention of investors was not called to them simultaneously. As in the case of Old Ben Coal 6s, the greatest advance took place prior to the end of 1941 whereas the O'Gara bonds did not really begin to move until well into 1942. Improvement in earnings furnishes the basis for a price advance but attention must be called to it.

Despite the advance in market quotations already shown there are still a few good buys in the coal bond list: De Bardeleben 4s look cheap at their current price level and Logan County 4s too, if you can get them. Then there is Rocky Mountain Fuel 2½s, Victor Fuel 1st 5s and Monon Coal 1st Mtg. Income 5s.

Monon Coal 5s are especially interesting just now because of the approaching annual interest date, March 1, and the fact that the sinking fund which operates in March will be augmented this year by the addition of $17,832, being 25% of the $71,330 tax reserve set aside in 1938 and 1939 which by court decision in March, 1942, was re-applied to earnings. This fund plus 25% of 1942 earnings which in accordance with the indenture must be applied to the purchase of bonds on tender should stimulate a good demand for Monon Coal 5s during the next few weeks.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels, according to a circular issued by J. L. Schiffman & Co., 60 Broad Street, New York City. Copies of the circular may be had from the firm upon request.

Boren Introduces Bill In House To Clarify And Curtail Powers Of Securities & Exchange Comm.

Representative Lyle H. Boren, Democrat of Oklahoma, and a member of the securities and exchange subcommittee of the House Interstate and Foreign Commerce Committee, has introduced a bill intended to clarify and curtail the powers of the Securities and Exchange Commission. The bill is one of a number which have been proposed to curb the Commission in its tendency to overreach in its desire for increasing regulatory powers.

The Boren bill was proposed as a result of the renewed attempt of the SEC to gain after earlier defeats control over dealings in state and municipal bonds in its "full disclosure" rule. The two aims of the bill, Mr. Boren declared, are to eliminate ambiguities in the Securities and Exchange Act of 1934, used by the SEC as an approach to the control of municipals, and to repeal the Commission's power to define fraudulent transactions, chiefly on the ground that this is a legislative power which should be exercised only by Congress.

All securities legislation recognizes the fundamental differences between government and private securities, Mr. Boren pointed out, governmental issues being specifically defined as an exempt class in the Securities Act of 1933 and thus removed from SEC control. Section by section definitions in the 1934 Act had the same intent, but a few exceptions in the Act provided the basis for SEC attempts to defeat the deliberate purpose of Congress. Should the SEC gain control over municipals, Congress' denial of this power to the Commission after extensive hearings in 1936 and 1938 would have been a "mere idle ceremony," and he therefore proposed an amendment to the 1934 Act making it uniform with the 1933 measure exempting municipals specifically from all sections, unless a section should declare applicability.

As to fraudulent transactions, the courts have been quite competent in the past to define frauds, Mr. Boren said, and if any transaction now constituting a crime should be made a criminal offense, it should be so defined by Congress, not an administrative bureau. He contended that the SEC had sought to interpret its power to define fraudulent devices and contrivances as a power to regulate dealings in exempted securities and proposed the revocation of this power as unnecessary, serving no useful purpose and having dangerous implications.

Urges Revision Of Securities Legislation

(Continued from first page)

the past the tendency had been to think of government and business in terms of extreme alternatives, whereas a 'joint answer' might prove the wisest solution."

"It should be possible," he pointed out, "for men 'who have shown such extreme ingenuity and productivity' to work out the means whereby government fits in with a free economy, rather than clashes with that free economy. In the question of profits, not the amount but the manner in which the profits had been achieved should be the controlling factor."

With respect to his views for a "United Nations of the World," Gov. Stassen, it is learned from the "Wall Street Journal," said:

"It is my proposal that we should contemplate and begin to plan now, for a definite continuing organization of the united nations of the world.

"China, Russia, the British Commonwealth of Nations, the United States of America and all of the smaller United Nations should participate in this governmental structure.

"We now have a world-wide vision to win the war. We must keep our sights high and maintain a world-wide vision to win an enduring peoples' peace."

The Governor, who is shortly to enter active service as Lieutenant Commander in the Navy, was enthusiastically applauded at the conclusion of his address.

Investment Trusts

(Continued from page 487)

seen such a complete, hard hitting assortment of printed sales helps. Here's the "works:"

1. Two letters to dealers stressing the attractiveness of discount rail bonds.
2. A handsome chart, "Portrait Of An Opportunity," showing the price trend of discount rail bonds versus times charges earned from 1916 through 1942.
3. A 16-page booklet, "The Life Story of A Railroad Bond."
4. A four-page folder summarizing the statistical data on Group Securities Railroad Shares.
5. A two-page bulletin, "Railroad News."
6. A seven-page "Talk On Current Developments Affecting Railroad Bond Values."
7. A 16-page reprint from Popular Mechanics Magazine, "The Iron Horse Delivers the Tools of War." This is illustrated and in color.

If you happen to be a dealer with tender eyes we recommend that you ask Distributors Group for its recent literature on the Investing Company Shares first. It's good, too—and to date it embraces only three items.

* * *

Calvin Bullock's "Bulletin" discusses certain features of Dividend Shares. "These features of Dividend Shares, among others, are reasons why, in 1942, the dollar volume of subscriptions for shares exceeded those in 1941 by 45%."

* * *

"After the War?" a folder on Aviation Group Shares by Hare's, Ltd. Also folders setting forth "Distribution Policy and Dividend Record" of Bank Group Shares, Insurance Group Shares and Aviation Group Shares.

* * *

The George Putnam Fund has prepared an attractive folder presenting its "Balanced Portfolio Diversification." The portfolio is divided into three security groups with cash and cash equivalents included in the first one. The groups are (1) Investment Backlog; (2) Dependable Fixed Income Portion, and (3) Common Stock Portion. We like the quotations spotted here and there in the folder. Example—"I expect that the time will come when the investment trust will take its place alongside of the savings bank and the insurance company as a custodian of the people's savings."—George Putnam, Chairman of the Trustees.

* * *

"War or Peace—The Automotive Industry Carries On Profitably," is the title to a new folder on the Automobile Series of New York Stocks. "Today in War" and "Tomorrow in Peace" comprise the dual theme.

Dividends

Boston Fund, Inc.—A quarterly dividend of 16¢ per share payable Feb. 20 to stockholders of record Jan. 29, 1943.

Anthracite Strike Ended—Soft Coal Prices Up

The twenty-three day strike, the longest in the anthracite field in seventeen years, involving approximately 23,000 miners, was ended on Jan. 22 when the last of the strikers, members of the United Mine Workers union, located at the Susquehanna Collieries Co.'s No. 7 and the Payne Coal Co.'s Exeter collieries voted to go back to work on Jan. 23 and Jan. 24, respectively, following an order by the President, Associated Press dispatches from Wilkes-Barre, Pa., stated. The miners had asked for a $2 a day pay increase and a 50 cents a month reduction in union dues. Resumption of full production was anticipated at all mines, collieries going on a six-day basis, United Mine Workers and non-union employees of the anthracite companier to receive time and a half for working on the sixth day.

Associated Press dispatches from Washington, D. C., last week stated that the Office of Price Administration on Jan. 30 granted an average price increase of 23 cents per ton to operators of bituminous coal in Western Pennsylvania. This will mean, it was said, that "domestic sizes" of coal (No. 1 to No. 5) will cost ordinary purchasers up to 20 cents additional per ton, while the price to railroad and industrial users will increase from 20 to 35 cents per ton. The advance in the price of coal at the mine was recommended by Secretary Ickes, Solid Fuels Coordinator, to cover higher production costs involving the extension of the 35-hour week to six days and other operational cost increases. A price increase, after similar extension of the work week, was given recently on anthracite.

Of the average increase of 23 cents per ton to bituminous coal operators, the OPA stated about 15 cents represents the increased cost of operating the mines six days a week with payment of overtime for the sixth day, and eight cents represents other increases in costs which the mines have incurred since last April.

The OPA's announcement of Jan. 30 applied only to bituminous coal district No. 2, which is Western Pennsylvania, but increases will be granted other districts which adopt the six-day week.

Some mine districts already have been operating under the six-day week and paying time and one-half for the sixth day without compensation in price, it was stated. These include, in addition to the above district, New Mexico-Arizona No. 18, Montana No. 22, the State of Washington and Oregon No. 23 and Arkansas-Oklahoma No. 14.

Tank Car Deliveries Of Gasoline to East Banned

In order to make more tank cars available for the delivery of fuel oil from the Midwest and Southwest to the East Coast shortage area, the Petroleum Administration for War, on Jan. 21, banned tank car delivery of gasoline to the Atlantic Seaboard.

The order (Petroleum Administrative Order No. 5) does not affect the shipment of gasoline to the East Coast by pipeline, barge, truck, or other means.

Commenting upon the effect of the order, Deputy Petroleum Administrator Ralph K. Davies said:

"Civilians who are using their automobiles for essential driving will not be inconvenienced by the ban.

"Between deliveries of gasoline by other than tank cars and the production of ordinary motor fuel by Eastern refineries as a by-product of aviation gasoline and other war-product manufacture, there will be sufficient gasoline on the Atlantic Seaboard to keep essential motor traffic going, provided, of course, that there is no increase in present rates of gasoline consumption.

"The tank cars used to haul gasoline will now be pressed into service to haul fuel oil, the supply of which is critically low throughout the Atlantic Seaboard.

"Continued cooperation from the public—reducing driving to a minimum, using as little fuel oil as possible, converting oil burners to coal—will be necessary to continue to cope successfully with the problem of meeting essential needs of petroleum products on the Atlantic Seaboard."

The order provides that if anyone considers that compliance with the order will work an exceptional or unreasonable hardship upon him, he may appeal for relief to the PAW.

All appeals, which must be filed in quadruplicate, must be addressed to the Director of Petroleum Supply, Petroleum Administration for War, South Interior Building, Washington, D. C. Ref: PAO 5.

Job Of War Production Less That Of Govt. And More Of Industry, Says Knowlson

In an address delivered in Chicago on Jan. 27 at the annual meeting of the Chicago Association of Commerce, James S. Knowlson, commenting on the Nation's conversion to war production following Pearl Harbor, declared that "history may never really be able to prove whether we might have converted faster. But history will record that we did convert faster than any country has converted before. The year 1942 will go down as a year of glory for American enterprise."

Mr. Knowlson, who is President and Board Chairman of the Stewart-Warner Corporation, has for the last year and a half taken an active part in the organization of American industry for war production. On Oct. 1, 1941, he was granted indefinite leave to assume the position of Deputy Director of priorities, Office of Production Management. With the reorganization of the Office of Production Management in January, 1942, Mr. Knowlson was appointed director of Division of Industry Operations, War Production Board. Later he was appointed Vice-Chairman of the War Production Board. He resigned this latter position Jan. 4, 1943.

In speaking at the Chicago meeting Mr. Knowlson stated that "the job of war production is daily growing less the job of Washington, and more and more the job of industry. In my opinion the production problem is licked—not finished by any means, but it is no longer the question of a voice or voices, crying, 'Prepare Ye the Way.' Industrial America has the bit in its teeth, crying, "Give us our materials and get out of the way. We are going ALL OUT on this job." In part Mr. Knowlson also had the following to say:

"As the events of the last few weeks have transpired, bringing the war, as Churchill says, "to the end of the beginning," I find among my friends an increasing amount of interest in the relations which we have with, and the assistance we have been able to give to, our allies. The dramatic job that the Russians have done this winter—the surprising strength of their resistance and the surprising strength and vigor of their counter-attack—has awakened in the minds of all of us a tremendous admiration. Many of my friends have asked me whether we have given Russia the aid that she deserves, or whether we have let her stand alone against the invading horde. Almost an equal number of my friends have wondered if we weren't giving Britain too much—if we were not almost entirely supporting the British Commonwealth.

"Now these questions interest me, for really our whole attitude toward our allies and toward Lend-Lease lies in the way we state the basic problem. Are we helping them to win their war or are they helping us to win our war? Are we fighting to make the world safe for the British Empire, for the Russian Commune, or for our shirts?

* * *

"From my point of view we should look upon Lend-Lease for what it is. Not a charity drive, but an agreement of mutual assistance.

"Those of you who have not read the last report of the Lend-Lease administration will find it interesting reading. You will find that our total shipments in the last five months have been roughly 15% of our total munitions production. Remember that we started from scratch; that we had the problem of equipping our army and of supporting them on far-flung frontiers.

"But 15% of a production such as ours has become is not to be sneezed at. Of the amount we have shipped, 20% has gone to Russia. Of course, it has not all arrived, because the question of transports has been a difficult one, but those shipments, you will see, have amounted to over 2,500,000 tons.

"To Great Britain went 40% of our shipments—twice that which was assigned to Russia, but don't lose sight of the fact that Great Britain herself is an exporting country and that part of her production also goes to Russia.

* * *

"And so, while we have not shipped all they want or need by any means, we haven't been entirely lacking. Those Russians I have known are thankful for this aid. However, if we expect them to look upon us as saviours, if we expect them to gather in the Red Square every Tuesday and sing 'God Bless America'—I think we are wrong. I have never heard a Russian brag.

* * *

"And now as to the British. No Britisher will deny that they need us desperately. And not one I know is stinted in his acknowledgment of our aid. But to get the idea that we are the sold support of the British war effort is fantastic. British production is no trifling achievement. It has not been so many months ago since we passed it ourselves.

* * *

"You see, it really all goes back to the point that I have made before—Whose war is this war? If you think of it as Britain's war and Russia's war, then as their little helpers we are pretty good. If you think of it, as I think you must think of it now, as OUR WAR, and think of them as our helpers and allies, then they with their own economies have done wonderfully well. And as long as they are willing to spend the blood of their sons and of their daughters' husbands in delivering our production and their production to Mr. Hitler, you and I should be glad to give them all that they can use and be glad to have them do this job for us."

Coal Bonds Look Good

First Mortgage Sinking Fund Income 5s of 1955, of Monon Coal Company and the First Lien Income 4s, 1947, of De Bardeleben Coal Corp. offer interesting possibilities at the present time according to a circular issued by Lilley & Co., Packard Building, Philadelphia, Pa. Copies of this interesting circular may be had from Lilley & Co. upon request.

BOND
DEPARTMENT

He is overloaded with heavy industries, so I recommended Old Schenley, America's Mildest Bond.

Straight Bourbon Whiskey · 100 Proof · This Whiskey is 6 Years Old · Stagg-Finch Distillers Corp., N. Y. C.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 485)

something better comes along it will have to do.

* * *

Right now the action of the market calls for close stops. In fact some are so close they may be taken before you even get to see this in print. But if the market has any gumption left in it the current reaction (they're selling off a little right now) should stop before any more damage is done. If it doesn't then your stocks will break the prices appearing below and you will be that much better off for having gotten out.

* * *

This column is still committed in the following stocks:

Air Reduction at 30. It is now about 40. The stop should be placed at 38.

* * *

Goodyear, bought at 22 is now hugging the 28 price. Its stop should be placed at 25.

* * *

International Harvester bought months ago at 43 is currently at approximately 60. A good stop here would be 56.

* * *

The last stock in the list is Superheater at 13½ and now across 15. The best I can figure on this one is a get-out if it breaks 13¾. This doesn't give you much leeway but a break-even or even a small loss is better than being tied up with a larger loss.

* * *

There are other stocks which act well but even a minor reaction can change them from good actors into potentially dangerous ones. So for the time being there are no new recommendations.

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Uruguayan Officials Visit N. Y. Stock Exchange

Dr. Alberto Guani, Minister of Foreign Affairs and Vice-President elect of the Republic of Uruguay, and his entourage were guests of the New York Stock Exchange on Feb. 1. Dr. Guani was greeted by Emil Schram, President; Robert L. Stott, Chairman of the Board; John A. Coleman, Vice-Chairman and Robert DeF. Boomer, Chairman of the Inter-American Hospitality Committee of the Exchange.

Dr. Guani's party included Juan Carlos Blanco, Uruguayan Ambassador to the U. S.; Santiago Rivas Costa, Uruguayan Consul General in New York; Roberto Richling, Uruguayan Consul in New York; Raul Previtale, Accountant General of Uruguay; Carlos M. Fernandez Goechea, Financial Attache to the Uruguayan Embassy, and Julian Noguera, Minister.

Also, Roberto Fontana, Attache to the Uruguayan Embassy; Jose Richling, former Uruguayan Minister to the U. S.; Ing. Luis Giorgi, Director Rio Negro Hydro-Electric Works Corporation; Juan F. Iriart, Secretary to the Minister, and Marcos Battle Santos. They were accompanied by Edward Nash, Protocol Division of the State Department.

Fuel Oil Without Coupons Available In Emergency

Any consumer—industrial, commercial or private—who, being without oil, as a result faces a serious threat to health or property, may buy up to 50 gallons of fuel oil even if he is without coupons valid currently, E. S. Ferguson, regional rationing executive, announced on Jan. 30.

The new emergency ration arrangement became effective Jan. 31 and may be used only once during the heating year, which ends next Sept. 30. Under it the consumer may buy in an emergency, an amount equal to 10% of his total ration, but not more than 50 gallons.

The dealer must present an emergency receipt, which the consumer must sign. If the consumer has coupons redeemable at a future period, he must turn over to the dealer the proper amount of those coupons. If he cannot, he must state in writing why and give the address and number of the board to which he has applied for a ration. The purchase must be reported to the local board by the consumer.

Result Of Treasury Bill Offering

The Treasury Department announced on Feb. 1 that the tenders for $700,000,000 of 91-day Treasury bills to be dated Feb. 3 and to mature May 3, 1943, which were offered on Jan. 29, 1943, were opened at the Federal Reserve Banks on Feb. 1.

Details of the issue are:

Total applied for, $1,301,770,000.

Total accepted, $701,811,000.

Range of accepted bids:

High 99.925; equivalent rate of discount, approximately 0.297% per annum.

Low, 99.906; equivalent rate of discount, approximately 0.372% per annum.

Average price, 99.907; equivalent rate of discount, approximately 0.369% per annum.

(99% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Feb. 3 in amount of $500,044,000.

NYSE Wkly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Donald J. Hardenbrook to Stanley G. Welsh will be considered on Feb. 11. It is understood that Mr. Welsh will act as an individual floor broker.

Transfer of the Exchange membership of David E. Levey to William J. Quayle, who it is understood will act as an individual floor broker, will be considered by the Exchange on Feb. 11.

Proposal that Francis B. Gilbert act as alternate on the floor of the Exchange for Clinton Gilbert will be considered by the Exchange today.

Beatrice Philips will be admitted to limited partnership in J. C. Louis & Co., New York.

Edward J. Reeves, member of the Stock Exchange, died on Jan. 26.

Again Indicted

John W. Hession, financial analyst, and Arnold R. and Sven W. Hanson, securities dealers of 50 Pine Street, New York City, have been indicted by the Federal Grand Jury on thirty counts of mail fraud, violation of the securities and exchange act and conspiracy on charges brought by Assistant United States Attorney Joseph Brandwen and James J. Caffrey, regional administrator of the Securities and Exchange Commission.

The action grew out of swift changes in the price of the Wisconsin Central Railway Superior and Duluth division and terminal bonds, which rose from 11⅝ in February 1942 to a high of 35 in June, then breaking on official denial by Canadian Pacific Railway, the parent company, of rumors which had been circulated in the interim.

A consent decree terminated similar action against the defendants by the State of New York.

Treasury To Call Bonds

The Treasury announced on Jan. 25 that it would call in $454,000,000 of its outstanding 3⅜% Treasury bonds of 1943-47 on June 15 and will pay them off in cash.

A formal notice of redemption will be issued just prior to Feb. 15.

At the same time, Undersecretary of the Treasury Daniel W. Bell announced that on and after Feb. 1 holders of the registered 2½% bonds of 1962-67 will be permitted to exchange them for coupon bonds. The offer will apply to both issues of the series, of which $2,110,000,000 are outstanding. The Treasury explained the exchange was arranged because most bondholders prefer coupon bonds.

UP-TOWN AFTER 3

By BILL SMITH

THE STAGE

"The Patriots," by Sidney Kingsley. Produced by the Playwrights' Co., in association with Rowland Stebbins, at the National Theatre, New York. With Raymond Edward Johnson, House Jameson, Madge Evans, Cecil Humphreys, and others. . . . Here is a fitting addition to the successful plays that are now playing on Broadway. Sidney Kingsley—now Sergeant Kingsley—has written a moving, attention-compelling biography of Thomas Jefferson and the little known events of his life. Covering a period of ten years—1790 to 1800—"The Patriots" tells in moving language and brilliant stagecraft the struggles of the men of the day who played such an important part in the founding of our Democracy. It is obvious that no liberties have been taken with factual history. Jefferson, an aristocrat of the day, was an idealist with a practical viewpoint. Alexander Hamilton, who saw in the new order an opportunity to build up a new aristocracy if not of birth than certainly of wealth, was constantly at dagger's ends with Jefferson. As members of George Washington's cabinet the struggle between the two men is told here in eloquent terms. As a dramatic presentation of the feud between the first Secretary of the Treasury and his fellow member in Washington's cabinet the play takes on stature which is significant in the light of contemporary events. Raymond Edward Johnson's Jefferson is a fiery characterization of the man of whom so little is actually known. House Jameson's Alexander Hamilton while purposely exaggerated is a good portrayal of the man who played such an important part in American history. As George Washington, Cecil Humphreys gives a first rate performance. Madge Evans, as Jefferson's daughter Patsy, does well. The rest of the cast was well chosen and play their parts with equal skill. Put the "Patriots" down on your list of dramatic musts.

THE SCREEN

"The Immortal Sergeant" is a movie that at times promises to be every bit as powerful as Noel Coward's, "In Which We serve." Time and again it does for the slogging, mud wallowing desert fighting foot soldier of the infantry what Coward's picture did for the Navy. "The Immortal Sergeant" also has its flashback sequences. It shows Henry Fonda, a Canadian newspaperman with an inferiority complex who joins the British Army and becomes a corporal. While in the Libyan Desert he recalls his life in London with Maureen O'Hara as the girl of his dreams. In a raiding foray the squad under command of a tough sergeant, Thomas Mitchell, is attacked by German planes, loses its trucks, part of its personnel and is lost in the desert. In the raiding scenes the picture reaches a credibility which is awe inspiring. Its authenticity rings true. The unromantic dirty business of lonesome patrol work is shown with hard bitten realism. The heroic scenes never seem posed. If the men become heroes it is because of desperateness rather than of any desire to win acclaim. Where the picture falls down is in trying to solve how a lost patrol, sadly decimated, attacks a Nazi outpost guarding a water hole, succeeds, and just as it faces annihilation, is rescued by a British force. But if you overlook this bit of Hollywoodism you have a picture which is exciting, red-blooded and full of swift and tense action. Cast is headed by Henry Fonda, Thomas Mitchell and Maureen O'Hara. A 20th Century-Fox production.

AROUND-NEW-YORK-TOWN

The Versailles (151 E. 50th), a first rate restaurant as well as an excellent night club, opens its new show this Thursday night. It will include Walton and O'Rourke puppeteers who join the revue. The current cast, presented by Nick and Arnold, includes Dean Murphy, Lucille Norman, Carole and Sherod, Ellsworth and Fairchild, Gilbert Russell and the Conover Cover Girls. The last named are really something to look at. Each girl prettier than the other. . . . This Thursday night the **Glass Hat** (Belmont Plaza-50th & Lexington) also goes in for an elaborate show. It will have Gayle Robbins as m. c., who also will sing, heading a revue by the blonde Carey Twins, Martha Dres, Ginya Lynn, Sally Urban, Frances Kaye and Murial Page. . . . Then, of course, there is **Benny Davis' new place, "The Frolics,"** above the Winter Garden on Broadway and 50th, scheduled to open this week. Features of the new show will include the Barry Sisters, Ruby Ring, Dave Brooks, Al Siegel and his latest dancing discovery, Carmen, Stan Stanley and a group of girls named the Frolicettes.

SEC On Special Offerings

The Securities and Exchange Commission announced on Jan. 27 that it had taken action to extend for another six months the operation of the conditional exemption to Rule X-10B-2. That exemption, which was originally announced on Feb. 6, 1942, was designed to permit national securities exchanges to try out a system of special offerings as a means of improving the market in the securities comprised therein. Pursuant thereto, special offering plans have been put into operation by three exchanges, the New York Stock Exchange, the New York Curb Exchange, and the San Francisco Stock Exchange. The original exemption was subsequently extended to Jan. 31, 1943 (see issue of July 16, 1942, page 184). The Commission is now engaged in a comprehensive study of the general problems involved and of all special offerings which have been made pursuant to the exemption. The current action will extend the exemption to July 31, 1943, unless during the extended period the Commission otherwise directs.

C. T. Atkinson Dead

Charles T. Atkinson, former Chicago broker and secretary emeritus of the Chicago Stock Exchange, died at the age of 78 after an illness of several months. Mr. Atkinson served as chairman and secretary of the governing committee of the Exchange for twenty-two consecutive terms until 1931.

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30 CENTRAL PARK SOUTH
Adjoining The Plaza

A most unique restaurant in a beautiful location, overlooking Central Park to the north.

Serving best food, skilfully prepared.

Entertainment after 11 P. M.

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Treasury Offer Of $2,000,000,000 Certificates Was Oversubscribed More Than Three Times

The Treasury Department announced on Jan. 26 that subscriptions to its offering of $2,000,000,000 of ⅞% certificates of indebtedness of Series A-1944 totaled more than $6,402,093,000. Because of the huge volume of subscriptions, allotments on all subscriptions over $100,000 were allotted 14% of the amount applied for.

Subscribers other than banks were allotted $1,163,000,000 of the new issue; banks with subscriptions of $100,000 or less were awarded $309,000,000, leaving about $700,000,000 for larger subscribers.

The Treasury offered the certificates on Jan. 21 and the books were closed on Jan. 23. The books were kept open three days in order to insure widespread participation not only on the part of banks but by corporations and others who were interested in this type of security.

The December offering of ⅞% certificates in the amount of $2,000,000,000 attracted subscriptions of a little over $5,000,000,000 with subscriptions for over $100,000 allotted 57%. In November another offering of $2,000,000,000 of ⅞% certificates brought subscriptions of $3,105,000,000 with all applications for over $25,000 allotted 55%. The books to the December offering were open for 3 weeks except for banks, in which case it was three days, and the books to the November offering remained open two days for all subscribers.

As in the previous offerings of certificates there were no restrictions as to the basis for subscribing to this issue. At their maturity, the certificates will be redeemed in cash and will carry no exchange privileges.

Of the proceeds from this sale, $1,588,495,000 will be used to redeem an equal amount of ⅝% certificates which matured Feb. 1. The remaining $411,505,000 will be "new money" borrowing and will be added to the public debt, which now is about $115,000,000,000. This is the first large financing undertaken by the Treasury since the successful December Victory Loan drive, which brought in over $12,000,000,000. The next major financing operation is planned by the Treasury for April.

Subscriptions and allotments were divided among the several Federal Reserve Districts as follows:

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$333,798,000	$103,061,000
New York	2,839,741,000	1,090,810,000
Philadelphia	220,076,000	72,815,000
Cleveland	324,876,000	114,020,000
Richmond	247,490,000	87,062,000
Atlanta	287,316,000	79,951,000
Chicago	921,018,000	302,885,000
St. Louis	242,691,000	72,541,000
Minneapolis	109,775,000	41,222,000
Kansas City	196,283,000	65,077,000
Dallas	150,953,000	46,559,000
San Francisco	528,061,000	135,208,000
Treasury	15,000	15,000
Total	$6,402,093,000	$2,211,226,000

The details of the Jan. 21 offering follow:

The certificates will be dated Feb. 1, 1943, will be payable on Feb. 1, 1944, and will bear interest at the rate of seven-eighths of one percent per annum, payable semiannually on Aug. 1, 1943 and Feb. 1, 1944. They will be issued in bearer form only, with two interest coupons attached, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted.

Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions and securities dealers generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions from banks and trust companies for their own account will be received without deposit, but subscriptions from all others must be accompanied by payment of 2% of the amount of certificates applied for.

Subject to the usual reservations, subscriptions for amounts not exceeding $100,000 from banks which accept demand deposits, and subscriptions in any amount from all other subscribers, will be allotted in full; subscriptions for amounts over $100,000 from banks which accept demand deposits will be allotted on an equal percentage basis, to be publicly announced.

Payment for any certificates allotted must be made or completed on or before Feb. 1, 1943, or on later allotment. As previously announced, Treasury Certificates of Indebtedness of Series A-1943, which mature Feb. 1, carry no exchange privileges, but such maturing certificates will be accepted at par in payment for any certificates of the series now offered which may be allotted.

The previous offering of certificates was reported in these columns Dec. 24, page 2245.

Period 4 Oil Coupon Cut In 6 Northeastern States

The Office of Price Administration on Jan. 25 set the value of householder (class 1) fuel oil ration coupons at nine gallons for the fourth heating period in the 17 Eastern States and the District of Columbia. Likewise, the value of the class 2 coupons for apartment houses, hotels, office buildings and other large consumers of heating oil was established at 90 gallons for the fourth period. These values are the same as those fixed for the third heating period. However, the OPA on Jan. 30 reduced the value of the class 1 period four coupons which became valid on Jan. 31 in New York (except the Adirondack region), New Jersey, Massachusetts, Pennsylvania, Connecticut and Rhode Island, from 9 to 8 gallons each, while the value of class A coupons was fixed at 80 gallons for the fourth period. The remaining 11 Eastern States and the District of Columbia were unaffected by this latter order.

Period four, which is designated by class 1 and class 2 coupons numbered "4," extends from early February to mid-March, the exact date depending upon the zone in which the consumer lives.

On Jan. 22, the OPA announced that the value of heating ration coupons would continue at 11 gallons for class 1, and 110 for class 2, in the Middle Western States under rationing, with the exception of Kentucky and the southern parts of Ohio, Illinois, Indiana, Missouri and Kansas. In these areas Winter has been milder than usual and the values were set at 10 gallons and 100 gallons for the class 1 and class 2 coupons, respectively, for period four.

At the same time, the date when number 4 coupons may be used for purchases was advanced one week from the original date in all zones in both the East and Middle West. In addition, the expiration date of the period four coupons was extended about two weeks.

The validity dates of period four coupons and the date of the fourth heating period, by zones, are as follows:

Valid Period for No. 4 Coupon: Zone A begins Feb. 2, ends April 17; Zone B begins Jan. 31, ends April 12; Zone C begins Jan. 27, ends April 6; Zone D begins Jan. 30, ends April 6.

Length of Heating Period No. 4: Zone A, from Feb. 9 to March 17; Zone B, from Feb. 7 to March 12; Zone C, from Feb. 3 to March 6; Zone D, from Feb. 6 to March 6.

Period three coupons still held in small numbers by most consumers are good to Feb. 20.

SEC Utility Amendments

The Securities and Exchange Commission announced on Jan. 26 the adoption of two amendments to Regulation S-X prescribing the manner in which original cost data and other components of utility plant are to be shown in balance sheets of public utility companies and consolidated balance sheets of public utility holding companies filed with the Commission. The announcement stated that "in accordance with the usual practice of the Commission, comments and suggestions as to preliminary drafts of the amendments were obtained from various interested persons, including representatives of state regulatory commissions and the national professional societies." The Commission adds:

"Underlying the new rules is the belief that the segregation of original cost, historical cost and other components of book amounts of utility plant is, in the light of present trends of rate regulation, of great concern to investors. While the amendment only requires segregation in the balance sheet itself in those cases where the original cost reclassification has been entered on the books, it also calls for appropriate footnote disclosure where original cost studies are not required or have not been completed."

Norman Made Director Of Beekman Hospital

Elisha Walker, Chairman of Beekman Hospital, announced on Jan. 18 that Bradford Norman, Jr., Vice-President of the Commercial National Bank and Trust Co. of New York, has been elected a Director of Beekman Hospital. Mr. Walker said, "The Hospital is most fortunate to have secured a man for this post as well known in the banking field and for his interest in charitable undertakings as Bradford Norman, Jr." Mr. Norman served in World War One as an officer in the Navy, and came to the banking business from Rhode Island after that war. He is also a director of American Sumatra Tobacco Corp., Commercial National Safe Deposit Co., Hat Corporation of America and Pennsylvania Coal and Coke Corp. For several years he has been actively interested in the affairs of Beekman Hospital and is Associate Chairman of the Banking Committee for the 1943 Maintenance Fund to raise $125,000 to meet an estimated budget deficit for the current year's expenses.

Fulton Iron Attractive

Common stock of Fulton Iron Works Co. offers an interesting situation according to a memorandum issued by Eisele & King, Libaire, Stout & Co., 50 Broadway, New York City, members of the New York Stock Exchange and other leading Exchanges. Copies of the memorandum may be had from the firm upon request.

Industry and the War

Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange, have just issued a most interesting bulletin on Industry and the War, based on observations made by Sidney B. Lurie during a recent field trip. Copies of this interesting bulletin may be had from Paine, Webber, Jackson & Curtis upon request.

Pres. Returns To Washington From Casablanca Conference—Visited Liberia, Brazil & Trinidad

President Roosevelt returned to the White House on Jan. 31, completing his historic trip from North Africa, where he and Prime Minister Winston Churchill mapped plans to force "unconditional surrender" on the part of the Axis. A White House announcement disclosed that the President and his party had traveled by airplane across the Atlantic to Brazil and then to Florida, where they transferred to a special train for Washington.

Mr. Roosevelt on Feb. 1 reported on his trip in separate conferences with Secretary of State Cordell Hull, Under-Secretary of State Sumner Welles, Rear Admiral Harold R. Stark, Commander of the United States Fleet in European waters; and with a group of Democratic and Republican Congressional leaders. No details of the discussions were revealed.

On the way home from the Casablanca conference, the President stopped in Liberia, Negro Republic on the African West Coast, in order to pay his respects to President Edwin Barclay and to review a large detachment of American Negro troops stationed there. His next stop was in Brazil, where on Jan. 28, President Roosevelt and President Getulio Vargas talked informally of the results of the Casablanca conference (referred to in our Jan. 28 issue, page 370) and of mutual aid between the two countries. The third stopover before reaching the United States mainland was at the island of Trinidad in the British West Indies to inspect United States Army and Navy defense installations.

The President, Prime Minister and their combined staffs conferred in Casablanca from Jan. 14 to Jan. 24, surveying the entire field of the war and completing plans for the offensive campaigns of 1943.

The White House statements regarding the return trip were based on dispatches written by Captain George Durno of the Army Air Corps, former White House correspondent for the International News Service, who accompanied the President on his flight from Africa.

The dispatch concerning the visit to Liberia said, in part:

"In order to pay his respects to President Edwin Barclay and to review a large detachment of American Negro troops, President Roosevelt paused here in Liberia en route home from the historic Casablanca war council meeting.

"The Chief Executive, while in the African state, which was founded by Negro freed men from the United States in 1822, also took advantage of this opportunity to inspect the large Firestone rubber plantation.

"This American-sponsored project at present is not only supplying the United States annually with very many pounds of critical war material but is steadily increasing its output.

"President Roosevelt and his party, traveling in two large four-motor planes of the transport command of the Army Air Forces, landed at Roberts Field, about fifty miles from Monrovia.

"President Roosevelt and Prime Minister Churchill, upon conclusion of the Casablanca conference, had motored to Marrakech, some 150 miles to the south. They spent the night in that very old Berber and Arab town nestled at the foot of the Atlas mountains. The two leaders parted the following day. President Roosevelt then flew to Liberia with but one intervening stop."

As to the discussions with President Vargas of Brazil and the conclusions reached the White House on Jan. 29 issued the following information to the press:

"The President of Brazil and the President of the United States met Thursday at an unannounced location in Brazil. The two Presidents had lunch together, inspected and reviewed Army, Navy and Air Forces of the two nations. They passed the evening in conference on problems of the World War as a whole and especially the joint Brazilian-United States effort.

"They discussed the continuing submarine danger from the Caribbean to the South Atlantic. President Vargas announced greatly increased efforts on the part of his country to meet this menace.

"President Roosevelt informed his colleague of the very significant results of the conference in Casablanca and of the resolve that the peace to come must not allow the Axis to attack civilization in future years. Mr. Roosevelt demonstrated that the North African expedition has for the present eliminated the possibility of the threat of a German-held Dakar to American freedom at the narrow point of the Atlantic. Both President Vargas and President Roosevelt are in complete agreement that it must be permanently and definitely assured that the coasts of West Africa and Dakar never again under any circumstances be allowed to become a blockade or an invasion threat against the two Americas.

"The two Presidents said:

" 'This meeting has given us an opportunity to survey the future safety of all the Americas. In our opinion each of the Republics is interested and affected to an equal degree. In unity there is strength. It is the aim of Brazil and of the United States to make the Atlantic Ocean safe for all. We are deeply grateful for the almost unanimous help that our neighbors are giving to the great cause of democracy throughout the world'."

This statement was supplemented by the following memorandum for the press from President Roosevelt:

"President Roosevelt believed that the Casablanca conference was so vital to the war effort that he should delay for a short time his return to the United States so that he might talk informally to President Vargas of Brazil about the conference, and discuss several details of additional mutual aid.

"President Roosevelt on his journey to Africa and on his return has had many opportunities to visit and inspect vital points of the 'Ferry Command' which is doing a most diffcult job every day in sending planes and quantities of vital equipment from America to the Middle East, to North Africa, to Russia, to the air squadrons in China, and to the Burma front."

The White House added the following:

'The Presidents of the two nations — the United States and Brazil—are old friends and their talks were timely and profitable in every way."

Urges Support For Beekman Hospital Fund

William Gage Brady, Jr., President of the National City Bank of New York and Chairman of the commercial banking committee of Beekman Hospital 1943 Maintenance Fund, declared on Feb. 1 that "for 21 years, the Beekman Hospital has efficiently served the community of downtown New York and the continuation of these services is vitally necessary to this financial and port district." During this critical period, Mr. Brady continued, "the health of the one million men and women who work in this crowded area is important to the nation and to the community." The Hospital Maintenance Fund goal is $125,000 to meet an estimated budget deficit for current expenses during 1943.

Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, FEB. 6

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).

TUESDAY, FEB. 9

522 REALTY CORPORATION

Voting trustees have filed a registration statement with the Securities and Exchange Commission for voting trust certificates for 5,837 shares of capital stock, par $1 per share, of the 522 Realty Corporation.

Address—Address of issuer or trustees in care of Walter McMeekan, 18 East 48th St., N. Y. City. Principal business or executive office of the corporation, 70 Pine St., Room 3905, N. Y. City.

Business—Apartment building.

Purpose — Edward J. Crawford, Walter McMeekan and George Weiss, all of N. Y. City, are now acting as voting trustees under a voting trust agreement dated June 28, 1933, for the capital stock of 522 Realty Corporation. All of them have consented to act as voting trustees under the voting trust agreement as amended. The present agreement expires Jan. 31, 1943. It is proposed to offer the holders of voting trust certificates outstanding under present agreement the right to consent to the extension of such agreement for five years from the latter date. Thus, holders of voting trust certificates, who do not consent, will receive stock certificates in exchange for their voting trust certificates. Those holding VTC who do consent to the extension, will continue to hold their VTC subject to the provisions of the existing voting trust agreement, except to extent they are amended in supplemental or extension agreement.

Registration Statement No. 2-5084. Form F-1. (1-21-43)

TUESDAY, FEB. 16

BELMONT BUILDING CORPORATION

Frazer Arnold, Charles J. Young and James J. Kelly (as the successor to Barnet L. Rosset, resigned) as voting trustees under trust agreement dated as of Jan. 25, 1933, have filed a registration statement with the SEC for voting trust certificates representing a maximum of 2,940 shares of no par value common stock of the Belmont Building Corp.

Address—Of trustees Suite 315, 11 South La Salle Street, Chicago. Statutory address of the corporation c/o Ewing, Arnold & Weinberger, First National Bank Building, Denver, Colorado

Business — Owns Belmont Apartments, located at 1060 Sherman Street, Denver

Purpose—To extend voting trust agreement. Certificates are already outstanding in the hands of registered holders and it is proposed solely to extend the trust for five years from Jan. 24, 1943

Registration Statement No. 2-5085. Form F-1. (1-28-43)

WEDNESDAY, FEB. 17

GOSS PRINTING PRESS CO.

Goss Printing Press Co. has filed a registration statement with the SEC consisting of participations in the Goss Printing Press Employes' Profit Sharing Trust. Number of certificates for which statement is filed is stated to be uncertain. All participations on a permament contributory basis begin with the second eligibility date during the second year of the trust

Address—1535 South Pauline Street, Chicago, Ill.

Business—Employes' profit sharing trust

Underwriting — Sponsor Goss Printing Press Co.

Offering—Date of proposed offering Feb. 15, 1943. The trust becomes contributory on the first of the month next succeeding the effective date of registration with the SEC (designated the second eligibility date), but Section 3 of Article 111 of the trust requires an offering to eligible employes 15 days prior to an eligibility date. Estimated amount of employes contributions to trust from March 1, 1943, to Oct. 31, 1948, is $250,000

Purpose—Goss Printing Press Co. states it "desires to reward the loyal, faithful and efficient services of eligible employes, to stimulate in them a keener interest in the successful operation of the company, and to encourage a spirit of economy and thrift, by distributing among such employes a portion of the company's net earnings remaining after a reasonable return on its invested capital"

Registration Statement No. 2-5086. Form C-1. (1-29-43)

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 30,000 shares of a trust designated as Keystone Custodian Fund, Series "B-1"

Address—50 Congress St., Boston, Mass.

Business—Investment trust

Underwriter—Keystone Custodian Funds, Inc., is named as sponsor

Offering—Within two weeks after effective date of registration statement. At market

Proceeds—For investment

Registration Statement No. 2-5087. Form C-1. (1-29-43)

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement with the SEC for 65,000 shares of a trust designated as Keystone Custodian Fund, Series "B-2"

Address—50 Congress St., Boston, Mass.

Business—Investment trust

Underwriter—Keystone Custodian Funds, Inc., is named as sponsor

Offering—Within two weeks after effective date of registration statement. At market

Proceeds—For investment

Registration Statement No. 2-5088. Form C-1. (1-29-43)

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 200,000 shares of a trust to be designated as Keystone Custodian Fund, Series "S-2"

Address—50 Congress St., Boston, Mass.

Business—Investment trust

Underwriter—Keystone Custodian Funds, Inc., is named as sponsor

Offering—Within two weeks after effective date of registration statement. At market

Proceeds—For investment

Registration Statement No. 2-5089. Form C-1. (1-29-43)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

Amendment filed Jan. 28, 1943, states that Abraham Dickenstein may be an underwriter

Amendment filed Jan. 12, 1943, to defer effective date.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Jan. 20, 1943, to defer effective date

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

DEERFIELD PACKING CORP.

Deerfield Packing Corp. has filed a registration statement with the SEC for $1,250,000 5% sinking fund debentures due Dec. 1, 1954, and 47,215 shares of common stock, without par value. Of the stock registered, 35,715 shares will be reserved for issuance upon exercise of conversion rights with respect to the debentures, and the remaining 11,500 shares will be offered for sale. Company states that it is possible that due to future adjustments in the conversion price, not now anticipated, more than 35,715 shares will be required for issuance upon exercise of conversion rights, and it is intended that present statement shall cover, such additional shares, of any, as may be required for issuance upon exercise of the conversion rights.

Address—Bridgeton, N. J.

Business—Company is engaged primarily in the manufacture of quick-frozen vegetables. The major portion of its frozen products is quick-frozen by the Birdseye process, but the company has developed and uses other processes for quick-freezing for customers who require large packages of frozen vegetables or loose frozen commodities.

Offering—Offering price to the public of the debentures and shares of common stock will be furnished by amendment.

Underwriting—E. H. Rollins & Sons, Inc., is principal underwriter for the debentures with others to be named by amendment. E. H. Rollins & Sons, Inc., is named underwriter for the common stock.

Proceeds—About $487,000 of the net proceeds from the sale of the debentures and common stock are to be used to discharge the balance of $480,000 due on a bank loan in the amount of $600,000, together with accrued interest and premium thereon. Balance are to be added to the company's general funds.

Registration Statement No. 2-5078. Form A-2. (12-29-42)

Amendment filed Jan.25, 1943, to defer effective date.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956, and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed Jan. 21, 1943, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Registration Statement effective 11 a.m. (EWT) on Dec. 22, 1942, as of 5:30 p.m. (EWT) on Dec. 8, 1942.

METALES DE LA VICTORIA S. A.

Metales de la Victoria S. A. has filed a registration statement with SEC for 1,350,000 shares of common stock and $675,000 production notes, the latter being lawful money of the United States.

Address—Pan-American Ave. and Fourth St., Agua Prieta, Sonora, Mexico.

Business—Company was organized under the laws of the Republic of Mexico on Oct. 23, 1942, for the purpose of engaging in the business of acquiring, exploring, developing and operating mining properties in Mexico, and the milling and marketing of ores and concentrates therefrom.

Offering—Offering price is $10 per unit, lawful money of the United States. A unit consists of a production note in the face amount of $10 lawful money of the United States and 20 shares of common stock. The common stock has a par value of one centavo (Mexican money) per share.

Underwriters—The offering will be made direct to the public by the company, and to brokers and dealers for their own accounts, or through the latter as selling agents of the company. Assuming that the entire issue is sold the proceeds to the company will be $506,250, or $7.50 per unit, the difference representing selling costs and underwriting discounts and commissions. Statement says Ogden C. Chase, Francis Platt and Edward G. Frawley are believed to be the principal underwriters under the Securities Act of 1933, as defined in the regulations of the Commission. The three are officers, directors and promoters of the company.

Proceeds—Net proceeds will be utilized for acquisition of properties and installation of mill and other expenses incident to operation of the mine property.

Registration Statement No. 2-5082. Form S-3. (1-8-43)

Amendment filed Jan. 23, 1943, to defer effective date

NORTHWEST PUBLICATIONS, INC.

Northwest Publications, Inc., has filed a registration statement with SEC for $382,500 5½% subordinated debentures, due Dec. 1, 1957.

Address—55-63 East Fourth St., St. Paul, Minn.

Business—Engaged in the publication of newspapers in the cities of St. Paul and Duluth, Minn.

Offering—Under the plan of recapitalization the corporation offers a 5½% debenture in the face amount of $100 for each share of its 3,825 outstanding shares of first preferred stock together with all rights to dividends accruing thereon after Dec. 1, 1942. Under the plan of recapitalization, the holders of first preferred may deposit their exchange agreements prior to March 15, 1943, or such later date as may be determined by the corporation, but not beyond May 15, 1943. The plan shall become effective automatically, when holders of 80% of face amount of first preferred deposit their exchange agreements, or by declaration by the corporation, at its option, upon receipt of exchange agreements covering less than such 80%.

Underwriting—The corporation has not entered into any agreement providing a firm commitment for the purchase of subordinated debentures. It has entered into an agreement with Kalman & Co., Inc., Wells-Dickey Co. and Harold E. Wood & Co. to act as dealer-managers. They are to use their best efforts for a period of 60 days following the effective date of the registration statement to effectuate exchange of the securities registered for the corporation's outstanding first preferred stock.

Proceeds—Plan of recapitalization.

Registration Statement No. 2-5080. Form A-2. (12-29-42)

PINEHURST, INC.

Pinehurst, Inc., has filed a registration statement with the SEC for $250,000 first mortgage 5% bonds, due May 1, 1953.

Address—Pinehurst, N. C.

Business—Operation of a winter resort.

Offering—Pinehurst, Inc., is offering to the holders of its 6% first mortgage gold bonds due May 1, 1943, the opportunity to exchange their bonds, plus accrued interest, for first mortgage 5% bonds now registered. Exchange basis is for a like principal amount of the bonds to be offered, with adjustment in cash for accrued interest. The plan will become operative when and if, prior to May 1, 1943, holders of substantially all of the bonds of the company due May 1, 1943, shall have filed agreements, but the company reserves the right in its discretion to declare the plan operative prior to May 1, 1943, upon receipt of agreements which it may deem acceptable to it. Company reserves the right to offer for sale for cash at not less than 100% of face amount, plus accrued interest, such portion of the bonds to be offered under registration statement as may not be accepted by the holders of the old bonds. At May 31, 1942, there were $236,000 of old bonds outstanding.

Underwriting—Company has not entered into any agreement providing a first commitment for the purchase of the first mortgage 5% bonds. It will, however, enter into an agreement with Mackubin, Legg & Co., Baltimore, who may be underwriters whereby the underwriters who have aided in preparing the exchange offer and plan will use their best efforts in obtaining agreements of exchange, including the obtaining of services of other dealers, for which they will be compensated.

Proceeds—To redeem old 6% first mortgage bonds and for general funds.

Registration Statement No. 2-5079. Form A-2. (12-29-42)

Amendment filed Jan. 14, 1943, to defer effective date.

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

Amendment filed Jan. 25, 1943, to defer effective date.

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

Amendment filed Jan. 26, 1943, to defer effective date

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and voting trust certificates for a number of shares of capital stock to be named by amendment will also be filed by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

In an amendment filed Jan. 11, 1943, company stated the units to be offered the public would consist of $1,000 face amount of debentures and voting trust certificates representing 200 shares of the company's capital stock. Offering price per unit will be $2,250.

Voting trust certificates representing 112,500 shares of capital stock will be acquired by the underwriter and a portion of such voting trust certificates may be distributed to members of the selling group. All or any part of such voting trust certificates may be sold by the owners thereof at the then over-the-counter market price. On Dec. 22, 1942, voting trust certificates were sold on the over-the-counter market in New York at a price of $1.30 (United States dollars).

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 8 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire pro eeds from the sale to the public of suc hares

Registration Statement No. 2-4940. Forn 2 (2-2-42)

Union Electric Co. of Missouri, on Fe , 1942 filed an amendment to its regis ration statement, naming the underwrit rs, 141 in all, who will publicly offer th ,695,000 shares (no par) common stock ll of which are owned by its parent com any, The North American Co. The name f the underwriters, and the maximun umber of shares of such common stoc which each agreed to purchase were liste n the "Chronicle" of Feb. 26, 1942, pag 346

Amendment filed Jan. 25, 1943, to defer ffective date

NION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co re istered 25,000 shares $100 par commo tock

Address—4th & Main St., Cincinnat Ohio

Business — Operating electric utilit ompany

Underwriter — Columbia Gas & Electr Corp.

Offering—Stockholders will receive of fer to subscribe to 25/94ths of one com non share in units of 5/94ths of a shar for each 5/94ths of a share held at $5.3 for each unit. On a share basis, stock holders may subscribe to 5 new share for each share held at $100.016 per share Substantially all outstanding stock is hel by Columbia Gas & Electric Corp

Proceeds—To repay current debt an $2,835,000 first mortgage bonds held b parent and associated companies, and fo onstruction costs

Registration Statement No. 2-4379 For A-2 (3-30-40)

Amendment filed Jan. 28, 1943, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered **$75,000,000** irst mortgage and collateral trust **3¼%** bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of **Electric Bond and Share System**

Underwriters—None

Offering Terms—Bonds will be sold to nstitutional investors, whose names **will** e supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. **Balance will be used in** part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of **$9,502,490 on companys $7** preferred stock

Registration Statement No. 2-4760, **Form** A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be eithe sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed Dec. 31, 1942, to defer effective date

Krug Power Director

J. A. Krug, formerly a TVA official, has been named by Chairman Donald M. Nelson of the War Production Board to the office of Power Director, created by Mr. Nelson. Mr. Krug in his new office will be responsible for electricity, gas, water and communications. The authority of Mr. Krug's office is comparable, Mr. Nelson said, to that of Harold L. Ickes over petroleum and William M. Jeffers over rubber.

Associated Press advices from Washington reported WPB officials as stating that Mr. Krug will be faced with the task of heading off a natural-gas shortage next December and January, which theatens to be nearly as serious in some regions as the East's present oil crisis. From the Associated Press we also quote:

Mr. Nelson, in announcing the appointment of Mr. Krug, said that attainment of maximum war production in the latter half of this year depends upon carrying out the expansion of power, gas and other utilities as now planned by the WPB.

"This will require the most careful scheduling, since power, gas and other utility facilities require much the same kind of equipment and materials as the other urgent programs," he stated.

The purpose of the new office, he added, "is not to put the programs in competition with each other, but to fit all of them together into an orderly and integrated construction program."

Tax Experts Argue Pay-As-You-Go Plan At Commerce & Industry Business Forum

Three experts on taxation argued the merits and disadvantages of the proposed "Pay-As-You-Go Income Tax Plan" on Jan. 29 on the Business Forum, conducted weekly by the Commerce and Industry Association of New York, over Station WMCA. Roy Blough, Director of Tax Research of the Treasury Department, and Arthur A. Ballantine, former Under-Secretary of the Treasury, favored the pay-as-you-go plan, while Laurence Arnold Tanzer recommended a simple uniform withholding tax as offering the only practical approach to pay-as-you-go taxation. Neal Dow Becker, President of the Commerce and Industry Association, was Moderator. "Wartime expansion of the individual income tax makes it imperative to put that tax on a current, pay-as-you-go basis," said Mr. Blough. He went on to say:

"It means simply that the tax on this year's income would be paid this year instead of next year. Perhaps four-fifths of the job of putting taxpayers on a current basis can be done by collection at source from wages, salaries and dividends. Whatever other measures are taken to complete the job—whether they involve the estimating of income, the filing of quarterly returns, or some other procedure—such measures must revolve around the core of collection at source.

"Postponement or installment payment of 1942 taxes has been proposed, but that would not readily eliminate income tax debt. The problem of transition, however thorny it may be, is secondary. The main objective must be to set up a sound pay-as-you-go system for the long run."

Mr. Ballantine asserted that both for the government and the citizen the all-out income tax must be made a pay-as-you-go tax, adding that necessary change can be accomplished by having 1943 payments apply to 1943 income, using 1942 income only as a basis for permitting initial payments, making final adjustment after the close of the year. "For the Government, to pay-as-you-go would offer the great advantage of making possible heavy withholding taxes so that the Treasury would be assured of its receipts," said Mr. Ballantine. "For the citizens, the plan means tax solvency and increased ability to continue in business and produce."

Mr. Tanzer declared it is impossible to place the payment of income tax completely on a pay-as-you-go basis for two reasons:

First: The income tax is based on the income for the year, and that cannot be known definitely until the year is ended. Any tax withheld currently can only be tentative, based on advanced estimates.

Second: An accurate computation of any taxpayer's income tax must take into account his exemptions due to his condition, as married or single and as having dependents. The graduated rates to which the individual taxpayer is subject vary with his total income for the year. Attempts to allow for all these variations would be entirely too complicated and burdensome for practical use.

"Congress was right in rejecting the 1942 Treasury proposal for a withholding tax based on each taxpayer's individual exemptions," Mr. Tanzer asserted. "The only practical withholding tax is a simple and uniform one such as Social Security Tax, deducting 1% on all up to $3,000, or the Victory Tax at the rate of 5% on all over $12 a week. A simple uniform withholding tax offers the only practical approach to pay-as-you-go taxation."

Mr. Tanzer is chairman of the Committee on Taxation and Public Revenue of the Commerce and Industry Association. Asked by Mr. Becker whether he could suggest any way of applying the pay-as-you-go principle in raising the additional revenues required to finance the war without further increasing the already high income tax rates, Mr. Tanzer said:

"The general retail sales tax is the perfect pay-as-you-go tax because it is paid once and for all at the time of a purchase and does not leave the taxpayer indebted to the Government."

Institutional Securities Corp. Had Active Year

Stockholders of Institutional Securities Corporation, wholly owned by the Mutual Savings Banks of New York State, were informed on Jan. 20 by August Ihlefeld, President, that as a result of the authorization to invest corporate funds in FHA insured Title II and Title VI mortgage loans anywhere in the United States, the Corporation held as at Dec. 31, 1942, $3,115,362 of mortgages among its assets. In addition it has made arrangements to acquire up to $3,885,950 FHA insured loans on properties located principally in New Jersey and Pennsylvania. It is further announced:

"At the end of the year the Corporation was servicing, through its 4 offices, 7,695 mortgages and properties for 38 savings banks, Savings Banks Trust Co., and the Savings Banks Retirement System representing a total investment of $48,704,734, as compared with 7,481 mortgages and properties aggregating an investment of $50,295,121 a year ago.

"Appraisal services increased during the year, with fees for this activity amounting to $31,091, as compared with $2,328 the previous year.

"The Corporation experienced an active year in real estate sales. Of 1,014 properties listed with it, sales were effected on 650 pieces for a total of $3,775,540. It is the Corporation's policy to maintain servicing facilities only for mutual savings banks."

"The influence of the war on mortgage servicing is being felt more and more," Mr. Ihlefeld said

He added: "Prepayment of mortgage debts was more frequent than in past years, stimulated in part by the desire of some owners to reduce their fixed charges and in part by the address of the President of the United States, urging such payments as a means of curbing inflation. The Soldiers and Sailors Civil Relief Act has been responsible for a number of modification agreements reducing fixed charges for the period of military service."

The W. C. comparative balance sheet at the year end showed assets of $5,352,772 including $3,115,362 bonds and mortgages owned and $1,012,800 U. S. Government obligations. Net operating earnings were reported at $55,813 while surplus funds stood at $294,531 as compared with $346,418 a year ago. The decrease in surplus reflects the charge-off of all premiums paid in connection with the investment in bonds and mortgages and the writing off completely of furniture and fixtures. Dividends in the amount of $49,943 were paid to stockholders.

Roosevelt and Churchill Have Met Four Times

President Franklin D. Roosevelt and Prime Minister Winston Churchill of Great Britain have met four times as President and Prime Minister—three times since America's entrance into the war and once before, it was noted in Associated Press advices from Washington Jan. 26, from which we also quote:

Times and places were:

Aug. 9, 1941, off the Newfoundland coast for three days or more.

Dec. 22, 1941, to Jan. 14, 1942, when Mr. Churchill came to Washington on a battleship and flew home.

June 18, 1942, in Washington, with Mr. Churchill flying here for a week's conference.

Jan. 14-24, 1943, in North Africa.

Encyclopedia Britannica To University Of Chicago

The Encyclopedia Britannica was presented on Jan. 20 to the University of Chicago as an outright gift by Sears, Roebuck & Co., said Associated Press advices from Chicago on Jan. 25, which added:

The outright gift included Encyclopedia Britannica, Inc., and subsidiaries in England, Canada and South Africa, Britannica Book of the Year, Britannica Junior, and the Encyclopedia Britannica World Atlas.

The publication was issued first in Edinburgh in 1768. Eventually it was distributed on a world-wide basis.

Sears, Roebuck & Co., Chicago mail order firm, assumed control in 1920. The volumes—currently 24 in number—are printed here.

Robert M. Hutchins, President of the University, and General Robert E. Wood, Chairman of the Board of Sears, announced that the books henceforth would bear the imprimatur of the University.

A. S. Barrows, President of Sears, said the Britannica was sold through its own individual sales organization and explained that the company now considered it "foreign to our business."

In advices from Jan. 27 to the New York "Times" it was stated:

"William Benton, Vice-President of the University of Chicago, will assume the additional post of Chairman of the board of directors of Encyclopedia Britannica, Inc., on Jan. 28, when title to the Britannica company, recently given to the university by Sears, Roebuck & Co., is transferred. The board will include trustees of the university and others.

"To eliminate financial risk on the part of the university in conducting the operations of Encyclopedia Britannica, Inc., Mr. Benton provided the necessary working capital. Ownership of the stock will be divided between the university and Mr. Benton, with the university holding options on Mr. Benton's stock, which represents his advance of the working capital.

Before becoming Vice-President of the University of Chicago Mr. Benton was president of Benton & Bowles, Inc., the advertising firm which he founded.

Commissioner Hodson Killed In Plane Crash

William Hodson, Welfare Commissioner of New York City on leave to the State Department, was killed in an airplane crash near the coast of Dutch Guiana on Jan. 15, the War Department announced on Jan. 21. The airplane disaster also took the lives of 25 other passengers, military personnel and civilians, and the nine crew members.

Mr. Hodson, who was 51 years old, had been on his way to North Africa to undertake a confidential mission for Herbert H. Lehman, Director of Foreign Relief and Rehabilitation. He had been granted a two-month's leave by Mayor LaGuardia—reference to which was made in these columns Jan. 14, page 204.

Mr. Hodson had been Welfare Commissioner of New York City since 1934 and for nine years prior to that time was Director of the City's Welfare Council.

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Our Reporter On "Governments"

By S. F. PORTER

One of the more intriguing angles of this now prolonged advance in the Government mart is that it is based on "natural" as well as "artificial" factors. . . . And counting back from that, the "natural" factors now pushing up the price level are the result of "artificial" stimulation. . . . Strange, isn't it? . . . That a natural market should develop out of an artificially inspired setup and in turn ease the necessity for artificial support! . . . But there it is, anyway. . . . Just look at the price level in the Government market now and just think back to the disorder that ruled in October and you'll have a perfect picture of the improvement which has occurred. . . .

This market acts beautifully. . . . It is strong, it is well-backed by demand from banks and from non-banking sources, it is technically in a fine position. . . . No major financing is due until April. . . . Commercial banks are being forced into the market as major buyers because of the fact that they received so few of the new ⅞s, issued in exchange for the $1,588,000,000 certificate of indebtedness issue, due February 1. . . . Insurance companies and savings banks are in the market from time to time. . . . Traders made out better this time than at any time in recent months. . . . Nearly all firms—or all firms—showed profits in December and January. . . . And official support hasn't been demanded for some weeks. . . .

But you know these points, even though you can't tell just how strong the market is from a casual glance at the price quotes. . . .

Will we have a sell-off, the decline which obviously is warranted after this long upswing? . . . Well, there are two schools of thought on that, but most experts on Government trends believe the market will reach some sort of top between now and March 1 and "level off" for a while, pending announcement of the new borrowing. . . . Reason for that forecast is that banks will be holding off on buying because of anticipated heavy withdrawals for March 15 income tax payments and because they'll be getting their portfolios ready for the April offering. . . . Offsetting factor is that allotments on the February 1 certificate of indebtedness issue totaled only 14%, indicating many banks and other holders have to make up for their loss of maturing c.is by buying in the open market. . . . At worst, we should see a slight decline, then leveling off, say the experts. . . . At best, we should see some sort of topping movement. . . .

REFUNDINGS

Treasury's announcement that the June 3⅜s will be paid off in cash was entirely expected, entirely logical, for the outstanding amount of these definitely pre-war and pre-easy-money era bonds is only $454,000,000 and a refunding offer simply wouldn't be sensible. . . . The 3⅜s' passing will mark the end of another signpost of the old high money rate days. . . . Remember those? . . . Remember when the Treasury was pleased to be able to put over a 3⅜% issue? . . . And a 4? . . . And a 4¼? . . . Chances of any rise in interest rate to anywhere near that level in the next decade seem awfully small at this time. . . . Virtually non-existent. . . . We've gone a long way in money management and interest rate control since those years. . . .

The refunding calendar for the Government actually is most favorable now. . . . Glancing down the list of issues coming up, one is bound to be impressed at the excellent spacing of maturities, the lucky chance—planned or accidental—which will permit the Treasury to borrow billions every quarter and not fuss about billion-dollar maturities. . . .

For instance, this year's calendar is pretty slim, considering the terms in which we think these days. . . . There's another old-time issue coming up—the $1,401,000,000 3¼s of October 15, 1945-43, which should be refunded. . . . That announcement may come this July and as for payment or refunding, the odds are there'll be no exchange privilege given on this. . . . But it's too early to forecast with any confidence. . . . Just look for a call this year, for a 3¼% issue doesn't belong on the Government's books now. . . .

Then there are a few small guaranteed issues coming up, bringing the day of extinction for this type of security a little closer. . . . The $289,000,000 Commodity Credit Corporation ¾s of May 1, 1943, will be paid off out of the funds to be raised in the over-all quarterly borrowing of April. . . . Then there's a $324,000,000 issue of 1⅛% RFC notes which are due for payment July 15, this year. . . . And of course, there are the Treasury notes due from quarter to quarter, including the:

$629,000,000 of 1⅛s due June 15;
$279,000,000 of 1s due September 15;
$421,000,000 of 1⅛s due December 15. . . .

The interesting thing about all this is the fortunate lightness of the refunding job at this stage in our financing history. . . .

INSIDE THE MARKET

The Treasury's action in making the 2½s of 1967-62 convertible into coupon bonds at the holder's option has had an immediate reflection in the market. . . . Now the 1967s are selling 2/32 above the 1968s, with the level 100.19 against 100.17. . . . What a perfect switch this turned out to be and this writer takes some credit for suggesting the move from 1968s into 1967s some weeks ago—for institutions not needing coupon bonds. . . .

As for switches, the one from the 2½s of 1972 into the 1968s or 1967s for non-bank buyers also is turning out beautifully—due to market reactions and to the news on the convertibility of the registered 2½s into coupon bonds. . . . It still seems a fine idea for any institution able to buy the 1968s or 1967s, though, for you'll be freezing a profit at 100.27 on the 1972s and getting into similar bonds due earlier and selling at 10/32 lower. . . .

The 1¾s of 1948 still seem to have some "steam" in them, even though the bond is up to 100.16 now. . . . This one is moving ahead nicely, may reach 100.20, say some dealers, if the advance holds. . . .

As for switching on these, some dealers again recommend getting out of the 1¾s and into the 2½s at a similar price level. . . . That's quite a move, though, for you're leaving a 1948 maturity range and accepting a 1968 range—rather a decision for most institutions. . . . A savings bank or insurance company with a large amount of the 1¾s and a small amount of the 2½s may find this advisable for part of its position, however. . . . The equal price range suggests scrutiny anyway. . . .

Lots of gossip around as to what form the new issue will take, when it comes. . . . Good group of traders looking for another 2% issue, maybe due in the mid-50s. . . . If this happens, the shorter 2s, in the 1951-49 range, will benefit from the choice of maturity rather than suffer from the issuance of another 2% coupon. . . .

If the Treasury issues a 2% bond of 1955-53, we'll have a perfect barometer of the taxable vs. tax-exempt bonds, for there's a tax-exempt 2 of 1955-53 outstanding and selling at 103.14, to yield 1.63 to call, 1.69 to maturity. . . . A 2 taxable at 100 may seem cheap, so the choice is unlikely, but if the market permits this move, the barometer will be there for a decade. . . .

No question about boost in debt limit to $210,000,000,000—and move should be made long before April financing.

Legal Oddities

THE WILY "INFANT"

"Infancy is a shield for the infant—not a sword," is the dictum of an old English judge, but in a case decided by the New York Court of Appeals the facts show that the infant used her infancy as sword, shield, machine gun and heavy tank.

In this case, according to the evidence, a female infant handed over to John Doe a certificate for Steel stock, with a blank assignment. Doe, without the infant's authority, handed the stock to a broker who sold it to Richard Roe for $11,000, had the Stock transferred to Roe on the books of the Steel Corporation, and notified the infant of his doings.

"That's agreeable to me," the infant agreed, or, legally speaking, she "ratified" the sale.

Then the infant repudiated the transaction, and sued Doe, the broker—and the Steel Corporation.

"Doe is liable because he sold my stock when I was under age, the broker for guaranteeing my signature when he sold to Roe, and the Steel Corporation for transferring the stock in its books," the infant argued.

The New York Court of Appeals (in the case referred to) decided against Doe on the ground that, although the infant had ratified the sale, she still possessed the feminine and infantile prerogative of changing her mind, and against the broker on the ground that he stood in Doe's shoes in effecting the sale.

The Court refused, however, to hold that the Steel Corporation was liable.

"The Steel Corporation is not in the same position as the parties who sold the infant's stock on her behalf. When it transferred the stock on its books to the ultimate purchaser and canceled the infant's stock certificate it did a valid act. No statute made the transfer illegal. It acted under her authority without notice of her incapacity, in good faith and without negligence. It was not bound to inquire whether the transfer was voidable, for nothing put it upon inquiry. It received nothing and retained nothing for which it can be called upon to account. It appropriated no property to itself. It was an intermediary in a sale by others; a conduit for the transfer of title. It destroyed a muniment of title merely and did not deprive the infant of her rights in the stock itself which exists apart from the certificate," said the Court on this phase of the case.

Weld Named Pres. Of Commodity Exchange

Philip B. Weld was elected President of the Commodity Exchange, Inc., by the Board of Governors on Jan. 21. Mr. Weld had been serving as Vice-President up to date of his new appointment. The new President of the Commodity Exchange, Inc., is a prominent figure in commodity exchange circles. For the past four years Mr. Weld has been a member of the Board of Governors representing the commission house group on the Exchange. He has served as President, Vice-President and for many years has been a member of the Board of Managers of the New York Cotton Exchange. Mr. Weld was a partner of Post & Flagg until this firm merged with Harris, Upham & Co., his present affiliation.

In the first World War Mr. Weld transferred from the field artillery to the air service as an air observer overseas.

At the Jan. 21 meeting of the Governors of the Exchange, the following Vice-Presidents were also elected:

Richard F. Teichgraeber—Commission House Group.

Milton R. Katzenberg — Hide Group.

Paolino Gerli—Silk Group.

Ivan Reitler—Metal Group.

Leroy G. Scheinler — Rubber Group.

Floyd Y. Keeler was re-elected Treasurer.

Reference to the re-election of Governors of the Commodity Exchange appeared in our issue of Jan. 28, page 373.

In the Armed Forces

Frank Gagnon, formerly associated with Carr & Hennessy in Boston, Mass., is now serving in he U. S. Army and is located at Camp Hood, Texas.

Nicholas Lamont, formerly of May & Gannon, Boston, Mass., serving as an Ensign in the U. S. Navy, is at Officers Training School, Hotel Monson, St. Augustine, Fla.

Charles W. Stevens, previously with Arthur Perry & Co., Boston, Mass., now a Lieutenant in the U. S. Naval Reserve, is stationed at Quonset Point, R. I.

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The Business Man's Bookshelf

Do We Want a Federal Sales Tax?—Charles O. Hardy—The Brookings Institution, Washington, D. C.—Paper—25¢.

Economics of Competitive Bidding in the Sale of Securities, The—John Frederick Weston—Studies in Business Administration; Volume XIII, No. 1—University of Chicago Press, 5750 Ellis Avenue, Chicago, Ill.—Paper—$1.00.

Syracuse Bond Club Elects 1943 Officers

SYRACUSE, N. Y.—At the annual banquet and meeting of the Bond Club of Syracuse, Donald Dietzer was elected President of the club for 1943. Mr. Dietzer represents the Central Republic Corporation of Chicago.

B. H. Lapham, of Lapham & Company, was elected Vice-President to serve with Mr. Dietzer; Alvin G. Hageman, of the Syracuse Savings Bank, was named Treasurer and W. L. Marsh of Carl M. Loeb, Rhoades & Company, Secretary.

Governors elected were Dan Carey, of Claybaugh & Company; Wesley Bishop, of R. H. Johnson & Company and George W. Mason, of Halsey, Stuart & Company.

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Volume 157 Number 4148 New York, N. Y., Thursday, February 4, 1943 Price 60 Cents a Copy

From Washington Ahead Of The News

By CARLISLE BARGERON

There is more than appears on the surface in the Treasury's counter-proposal to the proponents of the Ruml plan. Faced with the growing agitation in favor of it, Henry Morgenthau says, in effect: Let's waive the 1942 taxes on the lower income brackets, but not waive it on the higher brackets.

It might be well to keep in mind the underlying political forces that were behind the 1942 tax bill. Henry was determined not to make the small income fellow tax conscious and Walter George and other influences on the Hill were. The actual raising of revenue was relatively unimportant in the consideration of this bill because it has little relation to Government expenditures.

The whole salesmanship of the New Deal has been that it was redistributing wealth. It was taking from the big fellows and giving to the little. The little fellow was to live off the fat of the land.

The record is that some 10,000,000 persons remained out of work during this New Deal revolution. Organized labor was given a tremendous impetus; the right of a man to bargain collectively with his employer was established but as time went on he had no employer to bargain collectively with. In spite of the propaganda which has been turned loose on John L. Lewis, and it serves him right because it was the same machine which built him up in the first place, this employment situation was the real reason he broke with the New Deal. Automobile workers and steel workers whom the CIO had organized after a veritable revolution, were out of work by the thousands and a burden on their organization instead of an asset. Lewis, in spite of his vaingloriousness, his many weaknesses, saw this in its true perspective. Having achieved the organization of these workers he realized it meant nothing unless they could get work. So he wanted an end of the New Deal.

This situation of unemployment continued right up to the war boom. Came this boom and prosperity, inevitably but paradoxical nevertheless. The former WPA workers began making $60, $70, $100 a week. They were inclined to look upon Roosevelt as their saviour, as an analysis of the workers' vote in 1940 will reveal.

In the melee of discussion and propaganda about inflation, the Conservatives got the upper hand and began to stress that these new wages were the real inflationary factor and they had to be siphoned off. The New Deal resisted this. It wanted the workers to have this money and in addition, it wanted to control prices to make this money of the workers go even further. The other picture was not a pretty one for these workers. After years of unemployment or the WPA, they were now making money and a substantial hunk of it was to be taken away from them.

Henry resisted it like nobody's business. He even resisted com-

(Continued on page 503)

ABA Declares Opposition To Socialized Credit; Calls For Ultimate Elimination Of Govt. Subsidy

The position of the American Bankers Association with respect to socialized credit and government subsidized credit was stated at St. Louis on Jan. 21 on behalf of the officers of the Association and the Chairman of the Federal Legislative Committee by A. B. A. President W. L. Hemingway at a joint meeting of the Association's Agricultural Commission, its Food for Freedom Committee, and its Subcommittee on Agricultural Credit of the Federal Legislative Committee. The policy stated by Mr. Hemingway was unanimously approved by all three groups. Pointing out that the Association "has long been opposed to the socialization of credit by the Government," the statement concedes that "it is recognized that direct relief by the Government in times of serious economic stress may involve the granting of loans * * * as a temporary emergency expedient." However, it finds, the continued practice of making uneconomic loans from public funds, without adequate consideration of the ability to repay * * * endangers the foundation of a sound credit structure." The statement sets out that the ABA "will continue to support the farm organizations in their effort to protect farmer-ownership and control and to provide for the ultimate elimination of Government subsidy." The Association further maintains the position that it is not in the public interest for the Government to engage in the lending business where local credit is available."

The statement of Mr. Hemingway, endorsed at the meeting follows:

"In view of the present interest on the part of many bankers in the subject of socialized credit and government subsidized credit, particularly in the field of agricultural credits, we are glad to state the position of the American Bankers Association:

"The American Bankers Association has long been opposed to the socialization of credit by the government. By socialization, we mean the extension of credit and the making of loans by the Federal Government with costs and losses paid out of the Federal Treasury either directly or indirectly. Our position supports the stand maintained by leading farm organizations as they oppose the

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THE FINANCIAL SITUATION

What has become known as postwar planning has of late taken its place alongside renegotiation of war contracts and wage and salary stabilization as one of the subjects of great current interest among business men generally. The apparent turn of the tide in the course of hostilities, recent discussions of postwar problems by both the President and the Vice-President, and the President's assertion soon after the turn of the year that peace might well come during the life of the present Congress have, doubtless, all tended to focus attention upon the difficulties and problems which return to peace throughout the world must inevitably bring. The Committee for Economic Development, probably uneasy concerning the plans of the New Deal dreamers in Washington, has lately become quite active, and although, so far as the public is aware, its program is as yet by no means fully developed, it is without question succeeding in stimulating further interest in the subject of postwar planning.

Postwar Markets

At any rate, many practical business men have of late begun to feel that it would be well if they made a definite beginning in getting ready for peacetime pursuits again, and not a few of them are wondering precisely what they can do at this time that would prove of real value to them when the war is over. This latter question is a real one and its difficulty stems, we think, from the attitude and policy of the Federal Government. It is probably true that most postwar planning among practical business men at this time has to do with determining the probable market for their products, which is without question an important element.

Yet one is constrained to ask: Market for what? Peacetime products in common use now? Articles which made up the bulk of our manufacturing and trade immediately prior to conversion to total war? Or improved products and new products which the new materials and the new processes developed during the past year or two make potentially possible? Right or wrong, wisely or unwisely, the public has been led to expect a host of new or highly improved products and a drastically altered mode of life when this war is over.

(Conitnued on page 499)

When Our Soldiers Return!

After the war we will have at our command in America ten, fifty, a hundred times what we had before, chiefly new materials. American factories will be producing almost seven times more aluminum than in 1939, and one hundred times more magnesium, which weighs less than aluminum. We will be making almost as much rubber by chemical processes as was grown annually in all the world before the war.

* * *

Wood that won't burn, glass that won't break, window screens that contain no wire and machine bearings that contain no metal are just a few of the things in the offing.

Better and yet cheaper homes, finer and less costly automobiles, radios and refrigerators, more nourishing food, superior medicines—a greater abundance of almost everything that adds to the comforts and satisfaction of living—all of these will be awaiting the homecoming soldier when the war is won.—Lammot du Pont.

No one is likely to hold such assurances lightly when they come from so eminent an industrialist as Mr. du Pont.

Yet only a few weeks ago reliable word came from Detroit that responsible automobile executives were unanimously of the opinion that lack of opportunity during the war to design and perfect automobiles radically different from the pre-war models would delay the application of new techniques and new materials to motor car manufacture for several years after the end of the war!

We can only hope that Mr. du Pont knows better than they what can be done prior to the return of our soldiers from abroad.

Editorial—

No Compromise With Lewis

Despite the rebukes the American public has administered to him every time he dared test his popularity at an election, John L. Lewis is again threatening to defy the Government. In his picturesque language he has served notice that his coal mining union will not abide by the Administration's restraints over wages. As he puts it, "In March the men who mine the nation's coal will ask for bread. They will hope that a government bureaucrat will not hand them a stone." At the same time he denounced the War Labor Board's Little Steel formula for holding down wage increases and announced that he expected a "wholesome" increase.

Now, what is the Government going to do about it? From 1935 on, the Federal Government has never once denied Lewis an important demand. Each and every one of these demands has been jammed down the throats of the near-prostrate coal industry by one branch of the Government or another. Will it scrap completely the attempt to control wages and thus to slow up the inflationary forces, or will it for the first time refuse to bow to the domineering mine-union leader? The people and Congress, their representatives, should see to it that there is no compromise. They should not permit the nation's anti-inflation program to be scrapped merely to heighten Lewis's prestige in his war on the CIO, which he formerly headed. For that is all a concession or compromise would amount to. The coal miners are not in want; they are not underpaid by any standard.

According to the latest report of the U. S. Department of Labor, which is for last November, the average hourly wage rate of bituminous miners was then $1.07 an hour. Now this is not the highest rate paid a few skilled miners, this **is the average for all men** employed in and around the mines **from** beginners to the most skilled. That hourly average compared with the average hourly earnings of only $1.003 for the war manufacturing industries. (The figure cited is for the durable goods industries.)

No, the wage rates Mr. Lewis insists must be raised are among the highest rates paid anywhere in the world. Those averages are double the rates paid in textile and other consumer goods industries that employ many more workers than do the coal mines.

However, when we look at weekly earnings we come across a surprise. Although the soft coal miners enjoy far greater than average hourly earnings, their weekly earnings, the actual amount taken home in the pay check, is below average. Average weekly earnings in the soft coal industry for November were only $36.41, compared to an average of $39.78 for all manufacturing industry, and an average of $46.27 in the war industries.

The explanation for this seeming paradox is simple. In November, **a year after Pearl Harbor**, when the western areas had been suffering from a **shortage of miners** for months, Mr. Lewis was allowing his men to work only 35 hours a week, the actual average for that month being 34.4 hours! Since November, Mr. Lewis has been forced to recede from his stand on the work week and the miners in at least a district or two probably now are working almost 40 or 42 hours a week,—but they are receiving overtime for all hours worked over 35—not 40—but 35 hours a week. And the OPA has just raised coal prices to cover the cost of this overtime.

A little work with the pencil will show what will happen when the other districts also go on the six-day week. The already-high hourly average rate of the miners will be boosted by the overtime, and the weekly average will shoot up to about the average paid in the war industries, or about $46.30. But there will be this difference: the war industry workers were getting $46.27 per week in November for an average work week of 46 hours, while the Lewis men will get the same weekly pay for a work week of 40 hours.

Can you find anything in those figures and calculations, all based on Department of Labor data, to support a demand for a wage increase that would overturn the nation's entire wage-restriction plans?

Mr. Lewis likes to say that his complaint is only against the War Labor Board and its Little Steel formula. Actually, the Congress of the United States has declared that wages should be frozen at levels prevailing on Sept. 15, 1942, as far as practicable, and in an executive order interpreting that law the President has declared that no increases should be granted except to correct inequities and maladjustments. The facts in the soft coal situation do not by any stretch of the imagination justify a wage increase under these headings. Hence, if Mr. Lewis insists on a "wholesome" wage increase he is defying the Congress and the President, not merely the War Labor Board.

There are two reasons why the domineering mine-union boss must not be allowed to wreck the wage-control mechanism. Inadequate though it is, as the "Chronicle" pointed out when the Little Steel ruling first was handed down, our wage-freezing represents the most that could ever be expected from the present labor-courting administration. It is our only bulwark against the wage spiral that would bring on a new chaotic price rise.

Secondly, a new wave of wage increases would greatly aggravate the serious evil of absenteeism, it would also increase labor turnover and multiply the problem of recruiting the manpower to man our new war plants. A survey of absenteeism just published by the Department of Labor admits that high wages are one of the most important causes of absenteeism, since the importance of the loss of a single day's pay diminishes with each increase in wages. The fact that a source so biased in favor of the unions would admit high wages to be a major cause, if not THE major cause of absenteeism should clinch the argument conclusively, but for added emphasis, it can be cited that independent surveys both in this country and in Britain long ago came to the same conclusion.

Now, if current high wages are a major cause of absenteeism, what effect would a new wave of wage boosts have on the problem?

The effect of a new wage-raising spree on manpower problems should be readily apparent. If the coal miners were allowed to raise wages, the auto union would have to receive an increase also and then the auto factories would start taking men away from the die shops and body plants so that those plants too would have to raise wages, and so on down the line. The difficulty would be that the increases would not come simultaneously in a given area so that many men would quit a war plant for higher-paying jobs before that war plant would be able to raise wages.

If anyone thinks this is purely theoretical he is referred to the experience of the West Coast industries that frantically tried to keep their men from quitting to rush over and benefit from the fantastically high wages in the mushrooming shipbuilding industries (average hourly wages in shipbuilding in November were $1.26). In some branches of the West Coast lumber industry the monthly quit rate jumped from around 2% in early 1941 to 15% early last fall!

Thus, if the Administration gives in to Lewis and grants his exorbitant wage demands it will not only touch off an inflationary spiral, it will aggravate seriously the absenteeism evil and also complicate the more troublesome task of recruiting and maintaining a force of workers for our industries.

Why should the Administration submit? Lewis has lost out in every important state-wide election in Pennsylvania, supposedly one of his great strongholds. His influence on the 1940 vote was nil. In the 1942 election his candidate was repudiated in West Virginia, a State where the coal union supposedly dominated all political and industrial life. Since 1938, his record at the polls is just one unbroken list of rebukes. If Congress and the Administration will not stand up to Lewis for patriotic reasons, can they not stand up to him because they know the public will rejoice and delight in such a stand?

Nor is there any better reason for giving in to the demands of the other leaders who fight the wage-control policies. Take Philip Murray, President of the CIO and of the CIO's United Steelworkers of America. Average hourly earnings in steel are now as high as in soft coal, and the average weekly pay check in steel is almost $46 for 42 hours of work. Do those figures argue for new wage boosts? Nor have Murray and his steel union any claim on the public for support in their demands. Here is how the steel union has kept the no-strike pledge: Last June there were 33 separate strikes in the iron and steel industry, in July there were 54, in August 47, and in September 53—all data from the U. S. Department of Labor.

The Congress and the Administration must not reward records like that of the steel union. They must not reward the union boss who still maintained that coal mines should work only 35 hours a week a year after Pearl Harbor.

Conviction Of American Medical Assn. Under Anti-Trust Law Upheld By Supreme Court

The U. S. Supreme Court upheld on Jan. 18 the conviction of the American Medical Association and the District of Columbia Medical Society on charges of violating the anti-trust law in conducting a campaign against a medical cooperative. Fines of $2,500 and $1,500 respectively were imposed on the medical associations on a charge of conspiracy to violate the Sherman Act by opposing the activities of the Group Health Association Inc., a cooperative organization of 3,300 Government employees in the District of Columbia, the Group Health having been set up to provide medical care and hospitalization for its members on a prepayment plan.

The Supreme Court's decision was handed down by a vote of 6 to 0. Justices Murphy and Jackson, former Attorneys General, did not participate. As to the Court's conclusions, the Associated Press accounts from Washington Jan. 18 said:

"The opinion, written by Justice Roberts, was devoted chiefly to legal technicalities. It found that the court did not need to consider or decide the question of principal interest to laymen raised by the appeal—whether a physician's practice of his profession constitutes 'trade' within the meaning of the Sherman Act, which prohibits combinations in restraint of trade.

"Group Health is a membership corporation engaged in business or trade," Justice Roberts explained. "Its corporate activity is the consummation of the co-operative efforts of its members to obtain for themselves and their families medical service and hospitalization on a risk-sharing prepayment basis. The corporation collects funds from its members. With these funds physicians are employed and hospitalization procured. . . .

"If, as we hold, the indictment charges a single conspiracy to restrain and obstruct this business it charges a conspiracy in restraint of trade or commerce within the statute. . . . The calling or occupation of the individual physicians charged as defendants is immaterial if the purpose and effect of their conspiracy was such obstruction and restraint of the business of Group Health."

Eighteen individual defendants had been acquitted by the jury in the lower court.

The same advices said:

"Miss Edith Rockwood, Labor Department employee who is President of Group Health, commented that 'the decision will be advantageous to all groups in the United States that are planning for medical care'."

The action against the two Medical Associations was referred to in these columns March 9, 1940, page 1527, and June 14, 1941, page 3737.

Army To Help Men Get Jobs When Demobilized

Robert P. Patterson, Under Secretary of War, in a speech at the Technological Institute of Northwestern University, at Chicago, on Jan. 25 promised a post-war selective service system "in reverse" to operate as a job-placement agency, said Associated Press advices from Chicago on Jan. 25, which also said:

Mr. Patterson promised tonight that the Army would "do its best to see no man is mustered out of military ranks into a breadline."

Mr. Patterson said that although the Army alone could not guarantee civilian jobs for all of the millions of men to be demobilized, it did intend to make the transfer to civilian life with as little economic dislocation as possible.

"We may be a war-weary people by the time we have shattered the Axis," he declared. "There will be an urge to let down after the fast pace we maintained to win this war, to dump men willy-nilly back into civilian life, to let them find a job as best they can and where they can.

"But the Army will not take that easy way. Its responsibility is too great. As I say, we will try to maintain a selective service system in reverse. It worked well in mobilization. It should work equally well when we select men for return to civil life."

He explained that War Department records catalogue each man according to occupation or profession and the demobilization plan would be to inform men about to leave the Army of job opportunities in their field and "it would be up to them, of course, whether they care to take advantage of it."

THE FINANCIAL SITUATION

(Continued from first page)

Who can say whether the public will be greatly interested in the same old prewar articles save, of course, those in the relatively small category of fixed, standardized goods?

Production Problems

But how many companies have been able to find the time or the opportunity to give much attention to the application of new processes, new techniques, new materials, and improved materials to the production of peacetime goods? Certainly, the Government has not, so far as the public is aware, given any evidence whatever of realizing the problems involved in this kind of preparation for peace. Indeed, the tendency among those in government circles who have been most vocal concerning postwar problems is to assume, often indeed to state in terms, that the postwar problem will be one of finding or making markets, not in any of that multitude of problems which have to do with efficient production of the things that people really want. There has been no suggestion that enterprises now working day and night on the improvement and production of war goods draw off any of their technical staffs, assign any part of their experimental facilities or make use of any of the newer materials in devising or designing better products for better living when the war is over. Indeed it would appear to be a good guess that such a line of action on the part of industry at this time would not be countenanced for a moment.

Now such an attitude on the part of the Government at this time may be well warranted. It may well be impossible for industry to devote enough time or materials to this type of peacetime developmental work to accomplish a great deal without serious impairment of the total war effort. If so, naturally it could not be encouraged or even permitted. Yet the fact remains that if a substantial amount of this work is not done prior to the end of the war, it would be futile, unfair and dangerous to expect, or encourage the public to expect, a prompt, not to say miraculous, conversion to large scale peacetime manufacturing. Even quick return to the production of the identical articles being made immediately prior to the war would present problems and entail delays. To demand or expect a prompt flow of goods made possible by war production discoveries, as some of the postwar planners in government circles apparently do, would be to invite bitter disappointment with the probability of many unfortunate consequences. It is a matter which should receive the most careful thought of those in places of authority in Washington from this day until the end of the war. At the first practicable moment industry must be permitted, nay encouraged, to give thought to its postwar production problems—and to get ready, so far as feasible, for that production.

Conversion In Reverse

The difficulties of converting industry to the production of military planes, tanks, guns, and the myriads of other implements of modern war are now well known to all. Return to peacetime pursuits will inevitably present many of the same difficulties, particularly if postwar products are to embody the many discoveries made during the pressure of war production. If industry is not permitted in a measure at least to get itself ready to produce in large volume goods of the sort that the public has been taught by government to expect after the war, it may well be utterly impossible to prevent violent price disturbances during the period when funds saved under the utmost pressure during the war reach a market largely devoid of goods. If the necessities of war make it impossible to avoid such a situation—then there is nothing that can be done about it. So far as it is possible to avoid it, there is something that can be done about it—and the time to do it is before the close of hostilities.

Needless Impediments

Another phase of this same situation has to do with the conditions under which business will be asked to operate when the war is over. The terms and conditions under which most enterprises are now producing war goods, and the general nature of the taxation that is now in vogue, leave open the question—to say the least—whether American industry will be in a financial position when hostilities cease to proceed with the vigor and the "boldness" now demanded of it. What is more, many if not most of the postwar plans that have been drawn in Washington with at least the tacit consent of the Administration strongly suggest postwar conditions which normally would cause any level-headed business man to pause before he "went all-out" for peacetime production. Controls, restrictions, alterations in the rules of the game, government competition with business, a most troublesome fiscal situation, and a host of other impediments appear to be in the making. Here something can be done, and something should be done without delay to give industry the assurance it must have to proceed vigorously with peacetime pursuits when the time arrives for it.

Planning Our Opportunities Away

If matters are permitted to continue their present course we may well find presently that we as a people have planned away all possibility of the kind of postwar world we all want—at least for a considerable period. We planned away any solid revival of normal business activity in 1933 and the years which followed prior to the defense and war periods. The New Deal managers have quite evidently not yet in the least realized the fact, and they give no evidence of realizing the danger that they may do the same thing for our postwar era. The big question is: Are the American people coming to an understanding of the true inwardness of the facts?

The State Of Trade

Reports from the heavy industrial centers continue to reflect a high degree of activity, and current high levels are expected to hold in most sections.

A total of goods and services for war alone about equal to the $99,000,000,000 national production in 1929, America's busiest peacetime year, must be produced this year to reach the volume of war spending contemplated in the President's $109,000,000,000 budget, the National City Bank of New York said recently in its monthly economic survey.

The bank pointed out that this all-time high output for war must be accomplished while providing for the non-war needs of the federal and local governments and the essential requirements of the civilian population.

"To do the job will be no easy task," observed the report, "but will require, as the President said, the full harnessing of the nation's manpower and resources."

Moving contrary to seasonal trend, production of electricity last week nearly duplicated the all-time weekly peak made in the week of Dec. 19, according to figures reported by the Edison Electric Institute. The high total of 3,974,202,000 last week is attributed to wartime conditions, mainly the longer period of darkness in the morning.

The usual peacetime trend for the month of January is downward, continuing into the summer.

Last week's total compared with 3,952,479,000 kilowatt hours in the previous week and with the peak of 3,975,873,000 reached in the pre-Christmas period. Output was 15.5% above that of the comparable 1942 week, slightly more than recent advances on a year-to-year basis.

The Pacific Coast increased its power distribution gains over a year ago, utilizing 30.6% more in the week ended Jan. 23 than in the comparable 1942 period.

Car loadings of revenue freight for the week ended Jan. 23 totaled 703,578 cars, according to reports filed by the railroads with the Association of American Railroads. This was a decrease of 51,791 cars from the preceding week this year, 114,503 cars fewer than the corresponding week in 1942, and 7,174 cars below the same period two years ago.

This total was 113.64% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 99.5% of capacity against 98.6% last week, an increase of 0.9 point, the American Iron & Steel Institute announced.

The schedule for the current week indicates output of 1,702,100 net tons of ingots and castings, against 1,686,700 tons in the preceding week and 1,614,200 tons in the like 1942 week.

Increased demands for steel plates characterized activity in the steel market last week as consumers completed applications for March tonnage, the magazine "Steel" reported.

Most sellers found that their customers asked an increase, attributed to shipbuilding needs and railroad requirements, says "Steel."

A total of 63,009 new freight cars and 712 new locomotives were put in service by the nation's Class I railroads last year, the Association of American Railroads announced.

The new facilities added during the year were under 1941's freight car total of 80,502 and the smallest number of new cars since 1939, but the number of locomotives was greater than any year since 1930.

Engineering construction volume for the week, $41,855,000, is a decrease of 38% from the preceding week, and 81% below the same 1942 week, reports "Engineering News-Record." Private construction tops last week by 15%, but is 77% lower than last year. Public construction is 41% and 82% lower, respectively, than a week ago and a year ago, as both state and municipal work and federal construction declined.

Current total brings 1943 construction to $226,826,000, an average of $56,707,000 for each of the four weeks. On the weekly average basis the 1943 volume is 55% below that for the five-week period last year. Private work is 62% lower, and public is down 54%, when adjusted for the difference in the number of weeks reported.

Department store sales on a country-wide basis were up 2% for the week ended Jan. 23, compared with the same week a year ago, it was shown in the weekly figures of the Federal Reserve System.

Store sales were up 4% for the four-week period ended Jan. 23, compared with a year ago.

Department store sales in New York City in the week ended Jan. 23 were 5% smaller than in the like 1942 week, and in the four weeks ended Jan. 23 were down 6% from the comparable period last year, the New York Federal Reserve Bank reports.

Buying continued heavy in wholesale markets, although below the exceptional totals of recent weeks. With many stores well covered on spring requirements, attendance in central markets declined and fewer trade shows were being held. The sharp curtailment in road sales was evident in the stream of small store representatives crowding regional and central markets.

Prices, according to present indications, will rise between 6 and 10% in 1943. Prentiss M. Brown, new Price Administrator, sees "an inevitable, slow, well ordered price rise" coming. He places the probable increase at ½ of 1% a month.

Food costs will bulk large in any new jump in living expenses. This has been the picture right along. The United States Department of Labor reports that food costs as of Dec. 15, 1942, were 42% above those of August, 1939, the month before the start of the war; that they had advanced 17% in the last year, and that the rise since OPA controls were adopted in May, 1942, had been 9%.

Lend-Lease Shipments To Russia Increasing

Edward R. Stettinius, Jr., Lend-Lease Administrator, revealed on Jan. 20 that United States shipments to Soviet Russia under lend-lease included over 3,200 tanks, almost 2,600 planes and 81,000 military motor vehicles, up to Jan. 1, 1943.

In a statement, Mr. Stettinius reported that important progress was made in 1942 and that lend-lease aid to Russia is growing "to a sizable proportion" and will grow still more in 1943. He added in a statement:

"We have not yet been able to send as much as we should like—or as much as the Soviet Army needs—and part of what we have sent has been lost on the way.

"But, after a slow start, lend-lease shipments have greatly increased. They are continuing to increase in spite of the shortage of shipping and enemy attacks along the difficult supply routes to Russia."

Reporting Mr. Stettinius' statement, the Associated Press said:

Mr. Stettinius said that lend-lease shipments of war supplies to Russia reached a new high in November, exports being thirteen times the total sent in January, 1942. Military items accounted for two-thirds of the value of November shipments, the balance being industrial materials for munitions factories and food.

He also reported that the United Kingdom had supplied Russia with great quantities of military equipment, produced in Great Britain, and that United Kingdom shipments to Russia included more than 2,600 tanks and more than 2,000 planes.

"Lend-lease shipments of food to the Soviet Union from the United States are rapidly growing in importance," Mr. Stettinius said. "We have now begun sending food to the Soviet Union in greater quantities than to the United Kingdom. As the Soviet armies take the offensive a sufficient supply of food is as vital to their success as planes and tanks.

"The people of the Soviet Union have so far waged their magnificent battle against the Nazis principally with their own arms."

Mr. Stettinius said that the tank shipments to Russia under lend-lease were greater than to any other country since the beginning of the program in March, 1941, although such aid to Russia did not begin until October, 1941.

Plane shipments to Russia exceeded shipments to the United Kingdom or to any other military theater under lend-lease, he said.

Orrin Judd Appointed N.Y. Solicitor-General

Orrin G. Judd, a partner in the law firm of Davies, Auerbach, Cornell & Hardy, of 1 Wall Street, was appointed Solicitor-General in the Department of Law of the State of New York, Attorney-General Nathaniel L. Goldstein announced on Jan. 25. The New York "Sun" of Jan. 25 outlined the background of Mr. Judd, as follows:

Born in Brooklyn, 38 years ago, Mr. Judd attended Froebel Academy and Erasmus Hall High School, from which he was graduated before he was 15 years old. In 1926 he was graduated from Colgate University and awarded a scholarship by the Institute of International Education for a year's study in France. He received his diploma in 1930 from Harvard Law School with the highest average any student had received in ten years.

He was a law secretary to United States Circuit Judge Learned Hand for a year, then joined Davies, Auerbach and Cornell, becoming a partner within three years, at the age of 27.

Lend-Lease Aid Since Inception In 1941 Was $8¼ Billion Report To Congress Shows

A report covering Lend-Lease Operations from the passage of the Act on March 11, 1941 to Dec. 31, 1942, was submitted to Congress on Jan. 25, shows that the cumulative value of lend-lease aid from its inception to the end of 1942 was $8,253,000,000, and that of this amount 79%, or $6,548,000,000 was for goods transferred, and 21%, or $1,705,000,000 for services rendered. The report was submitted by Edward R. Stettinius, Lend-Lease Administrator. Extracts from the report of Mr. Stettinius, as made public by the Office of War Information, follow:

"The growth of lend-lease is reflected in the value totals. At the end of 1941 the dollar value of goods transferred was $910,000,000, and that of services $334,000,000, a total of $1,244,000,000. The total value of lend-lease aid in 1942 was $7,009,000,000, including $5,637,000,000 of goods transferred and $1,373,000,000 in services. The total for the year was more than five times that of 1941. In the last three months of 1942 alone, the value was $2,482,00,000, twice that for all of 1941.

"About 90% of the goods transferred to the governments of lend-lease countries have been exported. Total lend-lease exports from March, 1941, to December 31, 1942, were valued at $5,959,000,000. Of these, military items represented $3,300,000,000 more than half of all lend-lease exports. In 1942, exports of military items rose more in proportion than non-military items. In the last three months exports of military items were nine times the total of the corresponding months of 1941, while non-military exports were twice the 1941 volume.

"22% of all lend-lease exports from March 11, 1941, to Dec. 31, 1942, were industrial materials and equipment. Most of these were raw materials and the balance for machinery, tools and miscellaneous equipment. Their total value was $1,330,000,000. Agricultural products exported, mostly foodstuffs, also totaled 22% and had a value of $1,329,000,000.

"Raw materials exports, while relatively small in relation to total U. S. supply, were vital to the war production programs of Russia, the United Kingdom, the Dominions and India, Mr. Stettinius said. 1942 lend-lease exports of raw materials, in percentage of the U. S. new supply (production plus imports), included the following: Molybdenum 19.6%, zinc 12.0, steel 7.3, copper 7.2, petroleum products 6.3, aluminum 3.5, nickel 1.0, tungsten 0.9 and tin 0.1."

It was pointed out in the report that:

"Lend-lease is not a loan of money. Nor has it ever been an act of charity. The lend-lease program of providing goods and services to Nations resisting the Axis aggressors was undertaken for the defense of this country and has been carried out in the interests of the people of the United States. We have aided other peoples under lend-lease because their interests coincided with our interests."

Other features of the report, made available by the OWI follow:

"The other United Nations are also using lend-lease methods to supply each other, he said. Great Britain has already lend-leased to Russia more than 2,600 tanks and 2,000 planes, most of them produced in Great Britain. Canada is furnishing Great Britain with a billion dollars worth of war supplies without payment. The British are also providing their own lend-lease aid to the forces of China and many of the governments in exile.

"Reciprocal aid to the United States has already saved millions of tons of shipping space and many hundreds of millions of dollars, Mr. Stettinius said. This aid has been provided principally by the United Kingdom, Australia and New Zealand to American forces overseas. The United States is also receiving reciprocal lend-lease aid from China, South Africa, Fighting France and Belgium."

The Administrator reported that lend-lease countries had paid us in cash for more supplies than they have received under lend-lease. The value of lend-lease supplies exported from March, 1941, to Dec. 31, 1942, was $5,959,000,000 and the value of cash purchase exports to these countries was $6,900,000,000. Since March, 1942, however, monthly lend-lease exports have exceeded non-lend-lease exports, and in the last three months more than two-thirds of total U. S. exports were lend-lease.

Mr. Stettinius said that more than $550,000,000 of lend-lease funds have already been spent for building up the American industrial plant. Allocations of lend-lease funds for the expansion of war plants in this country have included more than $50,000,000 for expansion of the Ford tank and aircraft engine factories at Dearborn and Highland Park and $10,000,000 to the plant at Willow Run. Others include the Chrysler tank arsenal, the Boeing, Douglas, Bell Aircraft and General Motors and Sperry Gyroscope war plants.

Mr. Stettinius said: "Lend-lease supplies sent to our allies during 1942 include many thousand planes and tanks and more than 150,000 trucks, jeeps and other motor vehicles. Many additional thousands of planes, tanks and trucks were sent to our own forces abroad or exported to our allies in fulfillment of direct-purchase contracts."

Great strides have been made in supplying the Soviet Union, the Administrator said. "Up to Jan. 1, 1943, the United States had shipped to the Soviet Union under lend-lease more than 3,200 tanks, almost 2,600 planes and 81,000 trucks, jeeps, and other military motor vehicles. Most lend-lease planes, tanks, and trucks, outside those sent to Russia, went to Egypt, India, Australia and New Zealand."

Aid to the American republic is partly on a cash reimbursement basis, the report stated. Brazil has received the largest amount, but total lend-lease exports to the American republics have been small, with a value of $24,000,000 to date.

One of the most important lend-lease services has been the development and operation of supply routes and supply bases abroad, the Administrator said. Lend-lease was instrumental in the development of the air ferry route to England in 1941 and later in expanding the ferry routes to the Middle East and Russia. Lend-lease funds have also helped finance the development of docks, warehouses, supply depots, assembly and repair shopes throughout the Red Sea-Persian Gulf area; the building of pipe lines to carry oil to naval and air bases; the shipment of road building equipment to develop highways and trucks to carry supplies over them, and rails, freight cars, and locomotives to expand the capacity of primitive railroads.

"This work," Mr. Stettinius reported, "is continuing. Facilities built with the aid of Lend-lease funds throughout this area are now being used by United States Air Force planes, American ships and American troops."

Mr. Stettinius, at a hearing before the House Foreign Affairs Committee on Jan. 29, incident to the extension for another year of the lend-lease program, further outlined the accomplishments of the program.

First National Cotton Forum Held In N. Y. Under Auspices Of Cotton Exchange

Cotton in the war world was the subject of the first National Cotton Conference-Forum held under the auspices of the New York Cotton Exchange at the Biltmore Hotel, New York City, on Jan. 29. The subject was discussed by a panel of cotton industry experts. The guest speakers included Grover A. Hill, Assistant Secretary of Agriculture, Herman Cone, President of the American Cotton Manufacturers Association, J. N. Lipscomb, of the Mississippi Farm Bureau Federation, and Robert F. Loree, Vice-President of the Guaranty Trust Company of New York.

Robert J. Murray, President of the New York Cotton Exchange, opened the forum and emphasized the fact that it was the purpose of these forums to furnish a platform upon which problems of broad interest to the cotton industry may be discussed. He pointed out that with the important place which cotton occupies in our national life and the millions of small producers and the hundreds of thousands of people engaged in ginning and baling, transporting, distributing and fabricating of this vital commodity, it is no wonder that many vexing problems are constantly arising to confront such a vast sprawling industry. Most problems may be solved if intelligent thought and free discussion can be brought to bear upon them. It is the purpose of these conferences to supply a means to bring about intelligent discussion.

After dinner provision was made for sending written questions of the participants to the speakers' table for further discussion.

These conference-forums provided by the New York Cotton Exchange are expected to be of great assistance to the entire cotton industry and to make substantial contributions, in an economic sense, towards developing important information and opinions of great value to assist in the solution of national problems.

This first forum brought out a large attendance composed of representatives of practically all segments of the industry along with government officials, cotton brokers, bankers, and economists.

A second National Cotton Conference-Forum is planned in February when representatives of the United States Army will constitute the major panel. It is expected that a picture of the military position throughout the world, as far as is permissible, will be presented and a technical officer will translate this situation into terms of probable cotton needs.

In his talk, Mr. Hill said that there may be need for a post-war international agreement between the principal cotton growing nations. He stated that it was difficult to do any actual planning for the conditions that will confront the cotton industry and world markets when the war is over, but said it was pretty safe to advance such a proposal, since it has been informally discussed for the past two years although nothing tangible has yet resulted. Mr. Hill explained:

"To solve our problems it may be best to sit down around the conference table with other countries' representatives. In this way we would endeavor to work out fair shares of the world's market rather than to continue the cut-throat competition that has existed in the past, which has benefited no one. It must be realized that in this kind of agreement there must be give and take, and we couldn't expect to have that kind of agreement all in our favor."

He added that when such a plan is developed both the trade and the producers should be represented, as any such plan will have far-reaching results on their future activities.

Mr. Cone described at length the steps taken by the cotton-textile industry in adapting itself to war conditions, and in the concluding portion of his remarks said:

"This industry believes in the American spirit, the American enterprise system, and free initiative, and has demonstrated its ability to adapt itself to changing conditions. This spirit is not only a need in times of war. It must carry on in the tasks of peace and reconstruction, which will be even more difficult. Industry must be allowed broad latitudes in making its adjustments. Only those qualities and policies which have made it great can continue to make it great in the future progress of this nation."

Mr. Loree stated that "the Cotton Exchange, like every other commodity exchange—or, for that matter, the Stock Exchange—is a guide to the banker in his dealings with those engaged in the growing, marketing, manufacture and sale of cotton." He also expressed the belief that bankers would agree that "without the Cotton Exchange and other similar exchanges the financing and orderly distribution of the country's crops would become increasingly hazardous and difficult."

Plans for the conference-forum were referred to in these columns Jan. 28, page 380.

NAM Tax Booklet To Aid Average Taxpayer

Because millions of workers will be paying taxes on income for the first time this year, the National Association of Manufacturers has published a booklet, "Understanding Your Income Tax." This booklet was designed primarily for manufacturers to distribute to factory workers and it attempts to make clear how the average man is affected by the 1942 tax law. It does not pretend to give all the answers—but it does cover the fundamental points in its 16 pages. A step-by-step procedure for filling out and filing an income tax return is included with this explanation:

"A new 5% Victory Tax goes into effect this year. Also, the 1942 tax law reduced credits and exemptions allowed in figuring the regular Federal Income Tax. For example, a married man's exemption is lowered from $1,500 to $1,200 and the credit for a dependent from $400 to $350. The new law also imposes higher rates.

"Although there has been a lot of talk about enacting a 'pay-as-you-earn' income tax plan, this has not yet been done. The way the Federal tax law now operates, you must file your tax return on or before March 15, 1943, to cover income received by you during the year 1942. If you did not set aside the taxes levied on 1942 income during the past year, you must of course take these taxes from your current earnings."

All deductions authorized by law are explained, including the special medical allowance, which follows:

"This deduction for medical care is the amount spent above 5% of your net income before taking the allowance. For example, your net income after all deductions but the medical allowance is $1,500; you may then deduct payments above $75 (5% of $1,500). The top limit for medical deductions is $2,500 if married and $1,250 if single. Dental work is included as are amounts paid for other medical care not reimbursed, for instance, by insurance."

Copies of the booklet may be obtained by writing George Douglas, Secretary, Committee on Government Finance, National Association of Manufacturers, 14 West 49th St., N. Y. City, at a cost of $4 per hundred in lots of less than 1,000; lots of 1,000 and over cost $3 per hundred.

R. E. Management Course At Capital

The know-how of real estate management under wartime conditions will be the subject of what is termed "a unique" five-day lecture course which the Institute of Real Estate Management will offer in mid-February at Washington. The course, text material for which has been developed by the Institute's committee on education, offers opportunity both for study of the fundamental principles of management and for discussion of crisis — problems related to the nation-wide wartime program. The announcement from the National Association of Real Estate Boards said:

"Officials of OPA, WPB, FPHA, OCD, PBA, the Fuel Co-Ordinator's office, the Department of Labor, Treasury Department, and Bureau of Standards will discuss with students of the course various wartime activities which directly affect real estate and its management. Federal officials who will participate on the program include:

Paul A. Porter, Deputy Administrator in charge of rent of OPA, Robert W. Wales, OPA's Assistant General Counsel for rent, and Frank E. Manuel, Chief of the program and analysis branch of its rent department, who will deal both with the administration and with the economics of rent control.

L. Metcalfe Walling, Administrator of the Wage and Hour and Public Contact Divisions, Department of Labor, who will talk on wage and hour regulations.

Abner Silverman, Director of the Division of Local Authority Management, FPHA, who will discuss management of government-owned properties; W. E. Reynolds, Commissioner of Public Buildings.

Thomas J. Thomas, Associate Deputy, Solid Fuels Co-ordinator for War.

Joel Dean, Director of Fuel Rationing Division, OPA, who will discuss both how to obtain fuels and fuel rationing.

V. P. O'Reilly, Inspector, OCD, on provision for civilian safety in big buildings.

N. G. Burleigh, Director of Service Equipment Division, WPB.

Frank Duggan, Chief of Real Estate, Hotels and Restaurants Section, Service Equipment Division, WPB, on priorities for building maintenance and repairs.

Dean of the course will be James C. Downs, Jr., Chicago, past President of the Institute, President of Real Estate Research Corp. and of Downs, Mohl & Co. The faculty will include Lester E. Frailey, of John W. Galbreath & Co., Columbus, O., co-author of "Fundamentals of Real Estate Practice and of Real Estate Sales and Control," author of "Efficiency in the Real Estate Office."

Tuition for the course is $50.

State Regulation Of Insurance Upheld; Federal Control Called Dangerous Remedy

Support of State regulation of insurance was voiced by Louis H. Pink, New York State Superintendent of Insurance, in his preliminary report for the calendar year 1942, made available on Jan. 18. Mr. Pink pointed out that "centralization is the easy remedy offered for everything but it is a dangerous remedy and one not to be invoked unless it is necessary." Superintendent's remarks in the matter follow:

"The most challenging task now confronting the institution of insurance is intelligent regulation on a national basis. Some think that the only solution is Federal regulation but the great majority of the people in the industry, and it may be said also of policyholders generally, favor retaining control in the states. While it is obviously difficult to regulate a large national institution through forty-eight separate supervisors with different laws, insurance regulation has nevertheless been successful and has constantly improved.

"Centralization is the easy remedy offered for everything but it is a dangerous remedy and one not to be invoked unless it is necessary. If we were to start fresh, insurance would probably be regulated by the Federal government. We are not starting fresh; we have some 80 years of experience and progress. There seems to be no reason for throwing that overboard unless the states fail to do their part in cooperating and ironing out the differences and difficulties which cause complaint. The National Association of Insurance Commissioners has already accomplished much in this direction and can do a great deal more if it is alive to its responsibilities and possibilities.

"The adoption of a new code in Illinois and in New York should be merely a prelude to a uniform code to be adopted by all of the states with suitable differences in minor matters affecting local communities. The companies now report on uniform blanks. There is no reason why policy forms, coverage, laws regulating investments and all of the fundamental and important matters should not be practically uniform everywhere.

"The institution of insurance has had to accommodate itself to the servicing of the War Department, the Navy Department and other government organizations through the stress and crisis of the war. There has been excellent cooperation between the government departments, the state supervisors and the companies.

"The use of the facilities of the companies and the producing forces by the War Damage Corporation is most encouraging. There is no duplication of effort, economy is effected, and the closest possible cooperation exists. Our experience with the insurance sections of the War, Navy and other government departments has proven that give and take, and efficient operation is possible through the coordination of companies, producers, state supervisors, and the Federal departments.

"If state supervision were inherently faulty, the defects would have become apparent in this war."

In proposing a 10-year extension of the State law governing investments by life insurance companies in low cost housing, Superintendent Pink said:

"In 1938 the law was amended to permit life insurance companies to invest a small portion of their assets in the construction of housing for families of low or middle income. As a result the Metropolitan Life Insurance Company constructed the Parkchester Development in the Bronx, which houses 40,000 people, and the Equitable Life Assurance Society is erecting a development in a section of Brooklyn which is running down and needs new life.

"When the war is over this legislation may prove of a great deal of assistance in supplying funds to be used in postwar construction. The Legislature is therefore requested to extend the power ten years beyond December 1, 1943, the expiration date now in the law."

The suggestion was also made by Mr. Pink that the terms of office of the Superintendent of Insurance and the Superintendent of Banks expire on July 1. As to his proposal he said:

"It is clear that the Governor should have power to appoint and remove all of his responsible officials including the Superintendent of Insurance and the Superintendent of Banks. He should not be compelled to carry on his administration with major positions held by those in whom he may not have confidence. On the other hand, it is quite as clear that when the new Governor is elected there are many positions to be filled and he cannot give adequate consideration to the possible retention of the incumbents in these two offices. He should have a reasonable opportunity to observe their work before he is compelled to decide whether or not he wishes to reappoint them. These two great non-political offices should not be part of the general sweep which follows an election. It would add dignity and stature to the office and would permit a more considered review of the qualifications of the incumbent if the term were to expire July 1 or on some other appropriate date following the election of the Governor.

"In view of the fact that I am retiring from office as soon as Governor Dewey can release me, there is certainly no impropriety in making a suggestion which will inure not only to the benefit of my successor but to the institution of insurance."

Superintendent Pink who has held the post since May 10, 1935, was tendered a luncheon at the Hotel Commodore, New York, on Jan. 19 by insurance executives and Government officials. Mr. Pink will retain his office until the appointment of his successor, when he is to become head of the Associated Hospital Service of New York.

Key Of Strategy Is Attack, Says FDR

A message from President Roosevelt, saying that talk of defense now was past and that henceforth we would think of determined attack, was read at ceremonies held in Belfast, Northern Ireland, on Jan. 26, the first anniversary of the landing of American troops there.

The President's message, read by Major Gen. Russell P. Hartle, commanding the United States forces in Northern Ireland, was as follows, according to the United Press:

"A year ago the first great convoy of American troops crossed the Atlantic and landed in Northern Ireland. They came to buttress the grim defenses of this besieged fortress of freedom.

"Things have changed greatly in twelve months. We speak no longer of defense. That has now passed and henceforth we think of attack — determined, unrelenting, smashing attack. Our troops, Canadian, United Kingdom and those of the Dominions and our Allies, have chafed at inaction. They will get action. The road to Berlin is long and hard, but it is very sure."

Urges United Nations To Begin Study Now Of Political, Economic Reconstruction of Europe

A bulletin entitled "Problems of European Reconstruction" issued by Dean John T. Madden, Director of the Institute of International Finance of New York University, states that the United Nations would be well advised "to appoint immediately a body to study every phase of political and economic reconstruction of Europe and to submit its observations and recommendations to the competent authorities." "It would be a grave misfortune indeed," it is added, "if, at the end of the war, the various countries were to approach the difficult and urgent problems of reconstruction unprepared and permit some nations to take matters into their own hands and to confront the world with a fait accompli, as was the case in many instances at the end of the first World War."

The broad conclusions that may be reached were listed briefly in the bulletin as follows:

"There can be no security for an individual nation unless there is collective security for all. The European nations must learn to live peacefully, for they cannot afford periodic recurrences of the frightful destruction of life and property and the burden of caring for the large numbers of physically and mentally disabled inflicted by the two world wars and several minor armed conflicts of the past 25 years.

"The reconstruction of Europe is primarily a European problem and the various nations themselves must decide upon the political organization, the form of government, and the economic system of their countries. The United States, however, is vitally interested that the reconstruction be sound, that the causes of war be definitely eliminated, and that economic and military aggression be prevented. Experience of the past has shown that however strict an isolationist policy the United States may adopt in peacetime, it cannot be maintained in wartime. Economically, spiritually, and politically the United States is a part of the world."

The bulletin concludes: "The analysis of some of the major problems of European reconstruction reveals the gigantic task that will confront the statesmen of the United Nations at the end of the war. So far as can be ascertained, there is no unanimity among the interested parties as to how the various problems should be solved. There is no agreement as to the political boundaries to be adopted after the war; i.e., whether to return to the status quo, organize a United States of Europe, or establish regional federations. Even if the various governments were to agree in principle, it would require a great deal of study to assemble the data needed in fixing the boundaries along sound political and economic lines. There is no agreement as to how to treat Germany and her satellites after their defeat, except as to their complete disarmament.

"For the entire period between the two wars Continental Europe was plagued by the problem of national minorities, by surplus population, and lack of suitable places of immigration. Rabid nationalism, born out of hatreds of the war and the burning desire for revenge, found first an outlet in economic warfare. Existing trade barriers were raised and new and discriminatory trade-impeding methods were introduced. Each country adopted measures deemed most suited to its own needs regardless of the effects on other countries. The disregard of international economic agreements undermined moral principles and practices and led to secret and ultimately open violation of political treaties. Nations could no longer rely on the sanctity of treaties for the security of their borders. Military expenditures grew rapidly, accompanied by increased public debts and heavy taxes which stifled the economic life of most countries. A return to such or similar conditions is unthinkable.

"An objective discussion of any phase of the complicated problem of European reconstruction invariably leads to the conclusion that some organization, such as the League of Nations, vested with the power and duty to arbitrate conflicts among the nations and to enforce its decisions, must be created if peace is to be maintained. The League of Nations established by the Treaty of Versailles was ineffective mainly because its members were not willing to give it the powers needed to command compliance with its orders. It also suffered from the fact that the United States was not a member and that, as originally constituted, it was primarily a league of victors. An organization, such as the League, is also needed to coordinate all activities involved in the difficult task of economic rehabilitation of Europe and the world at large."

Willkie Says Allied, Axis Leaders Exalted Beyond Their Talents

Wendell L. Willkie, in a speech at Duke University, at Durham, N. C., on Jan. 24, pleaded for the preservation of liberal education in America and decried the idolization of individual men both in the Allied and Axis countries, said an Associated Press advice from Durham, N. C., under date of Jan. 14, which also gave other remarks of Mr. Willkie as follows:

"Everywhere you turn today," the 1940 Republican Presidential nominee declared, "you find people clinging to certain men who have been exalted in the public mind out of all proportion to their talents, however great.

"In Russia, there is Josef Stalin; in China, Generalissimo Chiang Kai-shek; in Britain, Winston Churchill; in the United States, Franklin Roosevelt. The stature of these men is in every case out of the ordinary and they deserve the high positions they have won. And yet, dare we say that any one of them is indispensable? The moment we say that, our world must change."

Mr. Willkie said he perceived a connection between the emphasis on single individuals and the neglect of liberal arts. Had Americans more faith in liberal education, he said, they would have more faith in the "great leavening process of democracy which forever pushes new men to the top."

At the outset Mr. Willkie attacked the arguments of those who have disparaged the liberal arts, saying:

"We cannot win a true victory unless there exists in this country a large body of liberally educated citizens. . . . If we are going to risk our lives for freedom, we must . . . do all we can to preserve the deep springs from which it flows."

He defined freedom as being of the mind. "It is in the liberal arts," he added, "that you acquire the ability to make a truly free and individual choice."

Mr. Willkie told his audience ways should be provided for young men not available for military service to continue their education and that there should be some provision in the manpower program for leaving in the colleges a nucleus of men whose aptitudes qualify them as definitely for "our long-range needs" as other men are qualified for medicine.

To discover the aim of peace, Mr. Willkie said, Americans must "establish beyond any doubt the equality of men" and not rely upon what he called the "pet economic theories" of many of the "planners."

"We shall find this quality," he said, "not in the different talents which we severally earn or possess, nor in the different incomes which we severally earn, but in the great franchise of the mind, the universal franchise, which is bound neither by color, nor by creed, nor by social status.

"Open the books, if you wish to be free."

Special ABA Committee On Agriculture Credit

Work of the Federal Legislative Committee of the American Bankers Association will be augmented in the field of agricultural credit legislation and administration by the appointment of a special Subcommittee on Agricultural Credit, it was announced on Jan. 25 by W. L. Hemingway, A.B.A. President. This subcommittee of the Federal Legislative Committee, which was set up at the suggestion of A. L. M. Wiggins, Chairman of the latter committee, will be charged with the handling of legislative matters affecting agricultural credit. It had its first meeting in St. Louis, Jan. 20-21. The members of the Subcommittee on Agricultural Credit are:

Wood Netherland, Chairman, Vice-President Mercantile-Commerce Bank & Trust Co., St. Louis, Mo.
Paul H. Huston, Vice-President and Trust Officer Peoples Savings Bank, Cedar Rapids, Iowa.
R. N. Downie, President Fidelity State Bank, Garden City, Kan.
John E. Wise, President Willard United Bank, Willard, Ohio.
John H. Crocker, Vice-President Citizens National Bank, Decatur, Ill.

Repayment of Debs. Voted By Fed. Home Loan Bank Of Chicago

Repayment by the Federal Home Loan Bank of Chicago of its $7,000,000 participation in the consolidated debenture issue of the bank system maturing Feb. 1 was voted on Jan. 22 by the directors meeting at bank headquarters in Chicago, it was announced by Charles E. Broughton, Sheboygan, Wis., Chairman of the Board.

Mr. Broughton said that the regional bank's retirement of its portion of the debentures formerly used for advances to savings, building and loan associations in Illinois and Wisconsin was designed as a response to the request of the President of the United States that debts be paid off as widely as possibly to help the fight against inflation. The announcement by the bank also said:

"Today's decision by the directors brings up to $13,000,000 the regional bank's total paying off of debenture funds since Dec. 1. According to the Chairman, it will have only $3,000,000 participation in any debenture issue outstanding when the repayment decided on today has been consummated.

"The largest amount of debenture funds the Chicago bank has used at any one time was $32,000,000, its participation as of November, 1940. After the current repayment it will have the smallest amount of participation in a debenture issue since July, 1937."

Proposal For Commission On Tax Integration In U. S. Approved By N. Y. Building Congress

The Board of Governors of the New York Building Congress, Inc., at a meeting on Jan. 27, approved recommendations of the Building Congress Committee on Postwar Planning to endorse in principle the Coffee Resolution (H. J. Res. 326) which was referred to the House Committee on Rules at the last session of Congress. It will be reintroduced shortly. The resolution provides for a Commission on Tax Integration of the United States, to consist of two Senators, two members of the House of Representatives, and 10 Presidential appointees representing specified governmental and economic groups. An appropriation of $150,000 is provided.

The New York Building Congress Committee on Postwar Planning, under the Chairmanship of Thomas S. Holden, President of F. W. Dodge Corp., includes with its endorsement of the Coffee Resolution a strong recommendation to the Congress of the United States that the definition of scope of the proposed tax commission be broadened to include study of and recommendations for a postwar tax structure for all levels of government in which the burdens will be so distributed as to provide the greatest possible incentives to productive enterprise and to the progressive development of real estate. In making this known, the New York Building Congress, Inc. said:

"In its report to the Board of Governors, the Committee on Postwar Planning pointed out that the need for a comprehensive and objective study of the unsystematic and confused pattern of taxation in the United States was widely recognized before the present war greatly aggravated tax burdens and tax problems. Creation by the Congress of the United States of a national commission of experts to study the problem was publicly advocated by President Roosevelt some years ago; it was also advocated by Mr. Willkie in the presidential campaign of 1940. Definite proposals along these lines have been introduced in Congress, but they have not yet received favorable action."

The report goes on to say in part:

"Our complicated peacetime tax pattern and its overlapping jurisdictions are dramatically illustrated by the fact that in 1939 there were 161,146 political units in the United States with power to levy taxes or incur debt. All but 49 of these are local governmental bodies, whose principal source of tax revenue is real estate; the real estate depression of the 1930's not only aggravated the tax burden upon real property but also accentuated the fiscal problems of these governmental jurisdictions. Imposition by Federal and State governments of increased taxes on corporate and individual incomes, social security taxes, sales taxes and various other imposts increased the burdens on commercial and industrial enterprise, and tended, according to the belief of many people, to discourage private investment.

"The tax problem is vastly increased and complicated by the enormous imposts being levied to meet the cost of the war. While there is every possibility that such taxes will be reduced after the cessation of hostilities, it is likely that Federal expenditures and Federal taxation will have to be considerably greater after the war than before. Tax policies which are adopted for the postwar period will in large part determine the character of our postwar economic and social system. It is thus none too soon for the Congress of the United States to set up an adequate procedure for studying our taxation system in all its aspects, to the end that our public taxing and fiscal procedures may be soundly integrated into an expanding peacetime economy."

In addition to Thomas S. Holden, the following are members of the Building Congress Committee on Postwar Planning: J. Andre Fouilhoux; Wm. H. Pouch, Concrete Steel Co.; Alfred Rheinstein, Rheinstein Construction Co.; F. Donald Richart, Bowery Savings Bank; J. Wright Taussig, Raymond Concrete Pile Co.; Walker G. White, Westinghouse Electric Elevator Co. Joseph Taylor of the National Surety Corp., has just been appointed member of the committee. J. Andre Fouilhoux of the architectural firm of Harrison, Fouilhoux & Abramovitz, Inc., who is President of the New York Building Congress, presided at the Board of Governors meeting at which the recommendations of the Committee on Postwar Planning were approved.

East Coast Oil Supply Situation To Be Critical During The Next Six Weeks

Developments in the East Coast oil supply situation during the week ended Jan. 23 were "neither better nor worse than we anticipated," Petroleum Administrator for War Harold L. Ickes said in a statement released on Jan. 29, which further reported as follows:

Deliveries of petroleum and petroleum products to the East Coast continued to arrive about as expected during the week ended Jan. 23, and, although stocks are still so close to the minimum working level that spotted local conditions may develop from time to time, the overall picture has not deteriorated.

Tank car shipments averaged 798,552 barrels per day — a decrease of 19,779 barrels per day from the previous week, or about 2½%. Total shipments for the week were 5,589,864 barrels. Tank car deliveries into New England averaged 162,000 barrels per day, a decrease of 13,900 barrels per day from the previous week.

The second week of box car shipments of kerosene to New England showed 182 cars shipped, an average of 4,937 barrels per day—an increase of 97 cars or 2,265 barrels per day. The War Production Board has just made 200,000 additional drums available for this service to New England. The various oil companies are completing plans and rearranging handling facilities to get the maximum possible volume of kerosene delivered by this method during the remainder of the heating season.

A full pipeline stream of gasoline started flowing from the newly completed Ohio Emergency Link pipeline into the Susquehanna pipeline at Randolph, Ohio, from which point it will be delivered to the East Coast. This will not increase total gasoline deliveries to the East Coast, but it will release tank cars which have been used previously in a shuttle service across Ohio to the west end of the Susquehanna line. These tank cars can now be used for fuel and heating oil service.

Barge movements continued at a high level. Movements along the Ohio-Mississippi River System, which indirectly affect the East Coast supply, are recovering from the effects of floods and high water. Domestic heating oil is moving in increasing volume from Texas and Louisiana to Helena, Arkansas, via pipe line, thence via barge to Cincinnati, Ohio, from which point it moves into the East Coast by tank car.

The campaign to convert industrial establishments from fuel oil to coal or other available substitute fuels continued to progress during the week ended Jan. 23. Conversions accomplished in the seven-day period amounted to 1,056,382 barrels additional annual saving along the East Coast. Total conversions now effected in this area will result in a yearly saving of 32,475,827 barrels of oil, or about 89,000 barrels per day.

In commenting on the soundness of the conversion-to-coal program, Deputy Administrator Ralph K. Davies said: "The coal situation at its worst will be better than the fuel oil situation at its best, insofar as available supplies are concerned."

Newspapers Right To Dismiss Delivery Men Upheld By Arbitrators

The right of New York City newspapers to lay off men for "economic or business reasons" was upheld in a final award made public on Jan. 20 by the arbitrators appointed by the War Labor Board to settle the dispute between the Publishers Association of New York and the Newspaper and Mail Deliveries Union, said the New York "Times" of Jan. 21, which added:

"Yesterday's final award, dealing with matters concerning working conditions, machinery for adjustment of grievances and methods for negotiating future contracts, supplemented the interim award, dealing with wages and vacations, announced by the arbitrators, Arthur S. Meyer, Chairman of the State Mediation Board, and Fred C. Croxton, Federal Conciliator, on Dec. 23.

"The interim award granted to the union an increase of $5 a week in pay but disapproved the demand for a week's vacation with pay, the provision being that the vacation demand may be renewed six months after the end of the war and granted only on condition that the wage rates at that time be reduced $1 a week, and on a sliding scale based on the number of days worked in the preceding calendar year.

"The wage increase granted, retroactive to July 1, was thus equal to that rejected by the union in arbitration proceedings last September. Last year's award gave to the 3,000 members of the union an increase of $3 a week and one week's vacation with pay, the two being equal to a $4 weekly increase.

"The final award, together with the interim award, affecting wages, constitutes a clarification and modification of the old contract between the union and the publishers, which expired on June 30. The two awards together, binding upon both parties, become the new contract for the industry, effective until June 30, 1945. The union had sought to make June 30, 1944, the termination date of the new contract. Under the final award the union has the right, however, to reopen the wage clauses of the contract on July 1, 1944.

"On the issue of 'job freezing,' which played a major part in last month's strike under the union's slogan of 'job security,' the final award, which denied also the union's demands for severance pay and the check-off, declared:

"Each publisher shall have the right from time to time to increase or reduce the number of routes, carriers or deliveries, and to combine, amalgamate, condense, alter, discontinue or otherwise rearrange routes or deliveries as such publisher may find necessary or desirable, provided, however, that if any such change results in the layoff of any member of the union then employed by the publisher as a regular situation holder, the layoff may be reviewed by the Adjustment Board to ascertain whether it was for economic or business reasons."

The arbitrators rejected also the union's proposal to prescribe the number of men to be assigned to each truck and to limit the weight of each bundle. The demand for a fixed allowance to cover claimed shortages in the number of papers given to the deliverers also was rejected, together with the proposal providing that a publisher changing working conditions without the consent and approval of the union or changing conditions and refusing to make a grievance case out of such changes complained of by the union shall forfeit the protection of the no-strike guarantee in the contract.

Three proposals of the publishers also were denied, including one requiring the union to furnish competent men able to work at straight-time rates and another compelling the union to pass through picket lines at places where strikes are in progress. Definition of what constitutes a regular situation asked by the publishers was also rejected.

The publishers sought to eliminate from the contract the right of either side to disaffirm an arbitration award on the renewal of the contract. The contract resulting from yesterday's award and the preceding interim award does not provide for compulsory arbitration. Therefore, the award contains no right of disaffirmance.

The award is binding on both parties and is enforceable in the courts.

The strike of 3,000 members of the Newspaper and Mail Deliverers Union, which had halted deliveries of New York City's eight major papers for three days, was ended on Dec. 17 when the National War Labor Board ordered the strikers to return to work and the matters in dispute submitted to arbitration.

The dispute between the Publishers Association of New York and the union, an unaffiliated group, involving wage and job security demands, had been certified to the NWLB by Secretary of Labor Perkins following the failure of all efforts by State and Federal mediators for settlement.

The strike it was stated, was the result of the inability of the publishers and the union to agree on terms for a new contract to replace one which expired on June 30 but which was extended by mutual consent to Dec. 11. The principal issues involved were the union demands for wage increases of 15% over the old scale of $8.31 for seven hours of night work and $8.80 for eight hours of day work. and the union's demand for job security.

The eight major papers affected by the strike, with a combined circulation of about 3,500,000, were the "New York Herald Tribune," "The New York Times," "The New York Daily News," "The New York Daily Mirror," in the morning field, and "The Sun," "The New York Post," "The World-Telegram" and "The Journal-American," evening publications.

Chemical Society To Hold Meeting

The 105th national meeting of the American Chemical Society, to be devoted exclusively to the advances of Chemical Science and industry in relation to the war effort, will be held in Detroit April 12 to 16, it is announced. Ten "war symposia" are scheduled. Fifteen divisions of chemical science will convene, with 4,000 chemists and allied scientists attending. All plant trips and entertainment will be omitted. William P. Putnam, founder and President of the Detroit Testing Laboratories, has been named honorary chairman of the meeting. Harvey M. Merker, superintendent of manufacturing of Parke, Davis & Co. and President of the Engineering Society of Detroit, is general chairman. Vice-chairman is Dr. George Calingaert, director of chemical research for Ethyl Corporation. Special symposia will bear directly on the successful prosecution of the war. The Division of Agriculture and Food Chemistry will hear reports on substitutes for agricultural and food commodities of which there are inadequate supplies to meet current demands. It will also hold a session on stabilization of fats, a matter of importance in food for the armed forces.

N. Y. Bankers Call Off Mid-Winter Meeting

Delegates to the 15th annual mid-winter meeting of the New York State Bankers Association unanimously approved on Jan. 18 action of the Council of Administration canceling the Association's 50th annual convention which was to have been held in May. According to E. Chester Gersten, President of the Public National Bank and Trust Company, of New York, and Vice-President of the Association, the step was taken "in order to leave all transportation and travel facilities for the full use of the armed forces in the movement of troops and supplies for the full prosecution of the war."

The convention, held every year since 1893, normally attracts 900 delegates representing a majority of the State's 718 commercial banks. The recommendation for its abandonment originated at a meeting of the Convention Committee headed by Robert E. Wilson, Vice-President of the Osborne Trust Company, East Hampton. Because of the urgency of wartime banking regulations and other special problems growing out of the war the Association accepted the committee recommendation that a mid-winter meeting should be held early in 1944.

Dec. Living Costs Up In Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in December rose in 69 out of the 70 cities surveyed each month by The National Industrial Conference Board. The largest advance, 1.9%, was shown in both San Francisco and Sacramento. Twelve other cities rose 1.0% or more, while no change occurred in Lynn, Mass. For the United States as a whole, the cost of living rose 0.7%. The Board also added:

Living costs were higher this December than in December, 1941 in all cities for which comparable figures are available. San Francisco again recorded the largest increase during the twelve-month period with an advance of 13.5%. The smallest was shown in Indianapolis, where it rose only 5.2%. The cost of living for the United States as a whole stands 8.4% higher than a year ago, and 17.4% above January, 1941.

NY Reserve Bank Promotes

Allan Sproul, President of the Federal Reserve Bank of New York, recently announced the following changes in the official staff of the bank:

Horace L. Sanford, formerly Manager of the Foreign Department, has been appointed an Assistant Vice-President.

Robert H. Brome, Assistant Counsel, has been appointed Assistant Secretary.

Daniel J. Liddy, of the Foreign Department, has been appointed Manager of the Foreign Department.

Nation-Wide Sales Tax, Ruml Income Tax Plan Advocated By N. Y. Chamber To Curb Inflation

Enactment of a nation-wide retail sales tax to curb inflation and of a pay-as-you-go income tax plan on the Ruml principle, is urged upon Congress in a report made public by the Committee on Taxation of the Chamber of Commerce of the State of New York on Jan. 31. Declaring that a Federal retail sales tax collected at the point of final sales is in keeping with the demands of present economic conditions, the report states:

"If the fundamental plan is to discourage unnecessary spending for commodities of which there is a diminishing supply, a Federal retail sales tax, properly devised, will accomplish that purpose, for only those who spend will pay the tax. Also, such a tax leaves considerable room for wholesome voluntary action by the individual in planning his expenditures to what he deems to be the best advantage consistent with paying the minimum retail sales tax.

"It has been argued that a primary objection to the retail sales tax is that it falls unfairly upon those in the lower income brackets. If this were the only tax to which people were subject, that argument would be correct but, taken in connection with the present taxes which are at such a rate that all of those above the lower income brackets are facing a further reduction of purchasing power instead of an increase of purchasing power, it is our belief that a retail sales tax on all commodities is logical and fair."

Pointing to the difficulty of administering a withholding tax on services other than wages and salaries and equivalent forms of remuneration for personal service, the report says:

"The Government already has, through the Social Security Act, the machinery for collecting a withholding tax. The extension of this tax, however, to other sources of income would impose a terrific burden upon business already overwhelmed by Government requirements. According to tax figures, the number of individual stockholders is considered to be between 6,500,000 and 10,000,000. The majority of these stockholders are in the lower income groups. Some corporations have from 100,000 to 500,000 stockholders, a great majority of whom own but a few shares. Many millions of individuals are living on incomes so small that they are not subject to income taxes, and the deduction of a withholding tax at the source would be a serious matter, regardless of the fact that it would be possible later to prove they were not liable to any tax."

December Truck Freight Volume 22.9% Over 1941

The volume of freight transported by motor carriers in December showed a slight increase, 0.8%, over November and an increase of 22.9% over December, 1941, according to reports compiled and released on Feb. 1 by the American Trucking Associations.

Comparable reports were received by ATA from 137 motor carriers in 35 states. The reporting carriers transported an aggregate of 1,142,738 tons in December, as against 1,133,234 tons in November, and 929,731 tons in December, 1941.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 184.84.

Almost 80% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 1.7% over November and 20.7% over December of last year.

Transporters of petroleum products, accounting for slightly less than 14.5% of the total tonnage reported, showed a decrease of 7.2% under November, but held 44.9% over December, 1941.

Haulers of iron and steel products reported approximately 1.5% of the total tonnage. The volume of these commodities increased 3.2% over November, but dropped 14.7% under December, 1941.

A little more than 5% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed an increase of 10.8% over November, and 20.8% over December of last year.

Bars Delivery Of Pints And Half-Pints Of Milk

An order, effective today (Feb. 4), was issued by Secretary of Agriculture Wickard, on Jan. 22, effecting the distribution of milk, calling for deposits on bottles and other containers and decreeing that no pints nor half-pints of milk shall be delivered to homes or sold in retail stores. Secretary Wickard contends that the order will conserve bottles and other materials, manpower, delivery equipment, gasoline and rubber tires. He further said that the aim is to enable milk distributors to pay dairy farmers more for their milk, where necessary, while at the same time holding consumer price increases to a minimum.

Associated Press accounts from Washington on Jan. 22 stated:

"In some areas producer prices have been increased recently. Mr. Wickard, acting as War Time Food Administrator, said it may be necessary to boost producer prices in other areas in order to encourage greater production of milk. Ordinarily such increases are passed on to consumers. Distribution savings should, he said, make consumer price increases unnecessary, or at the most much smaller than otherwise would be the case.

"The deposit must not be less than 1 cent for each glass container of four quarts or less used in the sale of milk or cream for consumption off the premises of the handler. The deposit on milk cans and cases must not be less than 25 cents each.

"The economies, which must be started Feb. 1, follow:

"(1) All package sizes for milk below one quart are eliminated except where the milk is to be resold for consumption on the premises. This requirement will remove pints and half-pints from retail stores and home delivery wagons.

"(2) Purchases must be confined to not more than two handlers unless the delivery from each handler is in excess of 300 quarts. This applies to retail stores, hotels, etc.

"(3) Delivery truck loads are limited to advance and standing orders. This is designed to save time of delivery men.

"(4) Milk returns from stores, hotels, etc., are eliminated. This requirement will end consignment sales and should, Mr. Wickard said, result in fuller use of delivery space and time.

"(5) Deposits must be collected on all glass bottles, milk cans and cases. This is designed to lengthen the life of the containers and reduce placement costs.

"Sales to the armed forces were exempted from the restriction on size of package and from the deposit requirement."

Appointed To National Financial Group Special Libraries Association

Ruth Miller, Librarian, Central Hanover Bank & Trust Co. of New York City, has succeeded Pamela Williams as Vice-Chairman of the National Financial Group of the Special Libraries Association. She will work with Mary P. McLean, Librarian, American Bankers Association, New York City, who is Chairman, and Margaret Siegmund, Librarian, Bankers Trust Co., New York City, the Secretary-Treasurer. Miss Miller also succeeds Miss Williams as Editor of the "Financial Group Bulletin," a quarterly publication containing information on the methods and activities of financial librarians. The Advisory Council of the National Financial Group is composed of the following:

Miss Marion Wells, Librarian, First National Bank of Chicago, Chairman.

Miss K. Dorothy Ferguson, Bank of America N. T. & S. A., San Francisco, Cal.

Miss Marguerite Burnett, Librarian, Federal Reserve Bank of New York.

The following group committee appointments have just been made:

Miss Mildred Neel, Librarian, Stein & Roe, Chicago, Ill., has been appointed Publicity Chairman.

Miss Roberta Herriott, Librarian, Chase National Bank, New York City, has been named Chairman of a Committee to Prepare a Manual on the Organization of a Financial Library.

Miss Ruth Nichols, Librarian, Federal Reserve Bank of Chicago, is Chairman of the Committee to Compile a Union List of Periodicals and Services in Financial Libraries.

Walter Hausdorfer, Librarian, School of Business Library, Columbia University, New York City, is Chairman of the Committee to Revise the Handbook of Commercial and Financial Services.

Mrs. Elsie M. Lilley, Librarian, Amos Tuck School of Administration and Finance, Dartmouth College, Hanover, N. H., is Methods Chairman.

Miss Cecilia Kiel, Librarian, Employers Reinsurance Corporation of Kansas City, Mo., is Chairman of the Membership Committee.

N. Y. Community Trust Grants At New High

Appropriations in 1942 by the New York Community Trust rose to $547,261 and exceeded by 37% the 1941 total of $398,504, the largest volume of out-payments made by the Trust up to that time. Grants from 40 separate funds went to 150 organizations in 19 states. Disbursements during the final 90 days of the year were $273,608.

The largest of the year's allocations went to the Salvation Army which received $69,994. To Henry Street Settlement and Visiting Nurse Service $49,023 was paid and to Community Service Society, $25,247. United Hospital Fund received $17,845, Y.W.C.A. $17,525, American Red Cross $17,400, University of Palestine $16,394, and Y.M.C.A. $15,666. Other recipients included Memorial Hospital, $11,525; Girl Scouts, $10,302; Johns Hopkins Hospital, $10,000 and Travelers Aid Society, $7,150.

It was the nineteenth year of the Trust's disbursements, which began in 1924 with payments aggregating $20. The annual total passed $100,000 in 1929, $200,000 in 1934 and $300,000 in 1941. The cumulative total of grants now exceeds $3,500,000.

Joint Chamber Of Commerce And NAM Council Urged To Cooperate With Govt. And Business

Louis Ruthenburg, President of the Indiana State Chamber of Commerce, and President of Servel, Inc., Evansville, Ind., advocated on Jan. 26 formation of a joint council composed of members of the Chamber of Commerce of the United States and the National Association of Manufacturers from every State in the Union, to help bring about the "new order of co-operation between government, business, labor and agriculture" which he said must come if the American people are to meet the challenges and opportunities that confront them. He listed these "challenges and opportunities" as "winning the war, winning the peace, and assuming leadership in reorganization of the world to insure lasting peace."

Mr. Ruthenburg's proposal was made in an address delivered before members of the Sales Executive Club here, in New York City, at Hotel Roosevelt, in which he declared that American industry, which is now making vital contributions to the winning of the war, must play an important part in bringing about the necessary new order of cooperation. His suggestion for a joint council is based on a similar method of cooperation which has been most effectively developed, he said, between the Indiana State Chamber of Commerce and the Indiana State government, Mr. Ruthenburg said:

"There seems to be no insurmountable obstacle in the way of similar cooperation at the national level. Why shouldn't the Chamber of Commerce of the United States and the National Association of Manufacturers form a joint council of 48 members, one selected from each State, and half of the total from each of the two organizations? Each member of the council would assume responsibility for personal contacts with his State Senators and Congressional delegation. The research facilities of both organizations would be made available to our legislators, and the sound economic studies of such organizations as Brookings Institution and the National Industrial Conference Board also could be channeled through this council to our national legislators."

Mr. Ruthenburg outlined the four principal objectives of such a council, as follows:

1. Close collaboration with national legislators by making available to them adequate facilities for economic and social research.

2. Development and direction of a fully effective, dynamic organization for developing and maintaining sound public relationships for American business.

3. Effective integration of all State chambers of commerce and State manufacturers' associations with the Chamber of Commerce of the United States and the National Association of Manufacturers. Through such integration the national bodies would promote effective collaboration between business and government and constructive public relationships for business at State levels.

4. Encourage State organizations, in turn, to bring about the integration of local manufacturers' and employers' associations and local chambers of commerce. Through such bodies close collaboration between government and business and effective public relationships can be developed at community levels.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on Jan. 18 made a successful placement at par of $26,805,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. The issue is dated Feb. 1, 1943, matures Nov. 1, 1943 and carries a coupon rate of 0.85%. The proceeds will be used to refund in part $29,415,000 debentures maturing Feb. 1, 1943. At the close of business Feb. 1, 1943, the banks will have outstanding $294,830,000 debentures.

From Washington

(Continued from first page)

pulsory savings, saying it was not the democratic or American way. He threw all of his energy against heavy taxes on the lower income groups. But some forces in Congress were determined that these workers be made tax conscious. Make no mistake about it: These political forces ran thorugh the shaping of the 1942 tax bill.

The Conservatives won out. On the eve of the last elections, tables were freely printed in the newspapers showing that the automobile worker, the steel worker, the shipyard worker would have to pink down on March 15, from $300 to $600 and even $800. It made a profound effect. There is considerable evidence that for the first time these fellows became concerned about the "wasteful bureaucracy" in Washington. Such slogans as "there are getting to be more tax eaters than taxpayers" impressed them.

Now, as I understand it, Henry cleverly proposes to postpone their agony. He would fix it so they won't have to pay these sums on March 15 after all. The significance of it, I think, is that Henry is still reluctant to make the so-called little fellow pay. He is against the sales tax, about which there is admittedly a vast difference of opinion as to the amount of revenue that can be raised in view of the widespread excise taxes already existing. But he is against it because he doesn't want taxes to become unpopular with the New Deal masses.

This being his attitude, it would seem to follow that even if no changes are made in the tax act, his Treasury will follow a lenient attitude in collecting the taxes from the vast group of inflated wage earners. It is a fact that the wage earner along with everybody else, now has 5% deducted from his weekly or monthly income on 1943 taxes, but that was none of Henry's doing. That resulted from his resistance to a compulsory savings plan, which would have been better for the wage earner, in that he would have gotten the money back some day.

It's probably funny, but I am convinced Henry's counter-proposal on the Ruml plan has materially slowed up the prospects of that plan. It has thrown a chill on some of its most ardent proponents. Henry's counter-proposal was right cleverly conceived.

Raw Sugar Allotments

The Director of Food Distribution has issued an order establishing raw sugar allotments for refiners in continental United States for the period Jan. 1, 1942-Sept. 30, 1943, the Department of Agriculture said on Jan. 21. These allotments, which may be changed from time to time, continue in effect the 1942 allotment basis established after public hearing and investigation by the Department of Agriculture and War Production Board.

This order, Food Distribution Order No. 7.1, supersedes WPB's Supplementary Order No. 98a, as amended July 29, 1942. It provides that no refiner may purchase, import, or accept delivery of raw sugar in excess of his allotment, and that all purchases, importations, or acceptances within refiner allotments may be made only upon specific authorization of the Director of Food Distribution.

Factory Workers' Hours And Earnings In Nov. Again Showed Increase, Labor Dept. Reports

An increase of 0.7% in average weekly hours worked in war industries brought the scheduled work week over the 48 hour mark in November, Secretary of Labor Perkins reported on Jan. 22. "This gain over October in durable-goods manufacturing, as a whole, was made even though 18 of the 49 durable-goods industries reported fewer hours worked per week in November, due in part to material shortage in some plants, to the observance of Armistice Day as a holiday by some workers and to the cancellation or curtailment of some Government orders," she said. "The average weekly hours actually worked in these industries were 46, absenteeism and labor turnover depressing the length of the work week by at least two hours." Secretary Perkins added:

"With the increase since November, 1941, amounting to 10.3%, reflecting the increased tempo of war production, only four of the durable-goods industries — glass, brick, pottery, and marble—reported less than 40 hours of actual working time per week, while 37 reported more than 44. Of the latter group, five reported 49 or more hours worked per week, namely machine tools (52.8) aero-engines (51.2), engines except aircraft (49.5), firearms (49.2), and machinery and machine-shop products (49.0). Three other durable-goods industries not listed in the tables, but engaged in war work reported more than 50 hours worked per week—machine-tool accessories (53.3), sewing machines (52.0), and pumps (50.8).

"For all manufacturing industries combined the average number of hours actually worked per week by workers were 44.0, a gain of 1.0% since October, 1942 and 9.3% since November, 1941. Nondurable-goods workers, engaged chiefly in producing goods for civilian consumption averaged 41.1 hours per week, the gains being 1.2% over the month and 6.9% over the year.

"Average hourly earnings, including overtime premiums, shift differentials, etc., were 100.3 cents for the durable-goods wage earners, 76.3 cents for the nondurable-goods workers, and 89.9 cents for both groups combined. The gains over the month and year intervals were largest in the durable-goods group (1.5 and 16.0%, respectively), reflecting more overtime and overtime premiums, larger increases in basic wage rates, and greater expansion in industries where relatively high wage scales prevail.

"As would be expected, the durable-goods worker averaged much higher weekly earnings ($46.27) than the nondurable-goods worker ($31.25). The gains over the month and year intervals were also much greater for the former (2.8 and 30.9%, respectively) than for the latter (2.0 and 20.4%).

"Of the 14 nonmanufacturing industries for which man-hour information is available, seven reported gains in average weekly hours between October and November, the largest being in street railway and bus companies (2.7%), anthracite mining (1.7%), and metal mining (1.0%). Over the year interval large gains were shown by all of the mining industries in the effort to offset manpower shortages and to increase production. Employees of street-railway and bus companies worked the longest hours per week (49.0) with a gain of 5.5% over the year. The last named industry is of particular importance in the war picture because of the increased need for local transportation facilities in war production centers.

"Gains in average hourly earnings over the month and year intervals were reported by all of the nonmanufacturing industries covered, most of the increases since November, 1941, being around 10%. The highest earnings were in private building construction (120.8 cents), bituminous-coal mining (107.3 cents), petroleum production (105.7 cents), and in electric light and power establishments (100.1 cents). Anthracite miners averaged 99.3 cents an hour—less than 1% more than a year ago—and metal miners averaged 92.8 cents an hour—more than 10% above a year ago."

(It should be noted that manufacturing plants converted to war production are continued under their peace-time industry classifications.)

Mutual Savings Banks Fund In Good Position

The Mutual Savings Banks Fund, created in 1934 under the Banking Laws of the State of New York for the insurance and protection in full of deposits in member savings banks, reported to members on Jan. 21 that as of Dec. 31, 1942, free assets were approximately $48,400,000, which represents 2.25% of the deposit liability of member banks not actually offset by their holdings of cash and government securities. The announcement also says:

"Total liabilities of the member banks as at Oct. 31, 1942, were, in round figures, $4,051,000,000, and assets consisting of cash and U. S. Government securities amounted to $1,898,000,000, leaving deposit liabilities of $2,153,000,000, backed up by other savings bank investments and assets aggregating in book value $2,690,000,000. For all practical purposes, therefore, the risk exposure from the Fund point of view consists of that portion, if any, of the $2,153,000,000 of deposit liabilities that may not be collectible from the $2,690,000,000 of other savings bank investments and assets. The insurance fund covering this risk amounts to $62,000,000 of which $48,400,000 represents free assets in the form of cash and U. S. Government securities.

"The report further states that at the end of 1943 estimated free assets of the Fund will approximate $53,500,000 without including further repayments against outstanding commitments, and will represent 2.5% on the $2,153,000,000 deposit liability referred to above. The report also states that the net liability figure on which this percentage is based is unlikely to increase materially under current circumstances even if deposits increase in the banks. This is a significant showing, especially since a large part of the $2,690,000,000 of savings banks assets securing the $2,153,000,000 are of high quality.

"Since the establishment of the Fund in 1934 it has grown from $18,000,000 to $62,000,000, while the deposit liabilities which represent any practical risk to the Fund have been decreased from $4,034,000,000 to $2,153,000,000. This reduction of risk exposure results primarily from the increase in holdings of cash and government obligations by the savings banks and in part to the withdrawal of some of the original members."

Reporting on activities, August Ihlefeld, President of Savings Banks Trust Co., Trustee of the Mutual Savings Banks Fund, stated that almost 50% has already been repaid on transactions totaling $14,698,000 entered into prior to 1942 for advances, contributions and asset purchases to protect the interests of depositors. New transactions entered into during 1942 amounted to $6,338,000 of which repayments of $70,000 have already been made, leaving an aggregate balance of all transactions outstanding as at Dec. 31, 1942, of $13,719,000. No further applications from banks or the Banking Department are before the Trustee for consideration.

Bankers Urged to Study Servicemen's Relief

Bankers attending the mid-winter meeting of the New York State Bankers Association, in New York City on Jan. 18, were urged to familiarize themselves with the provisions of the Soldiers' and Sailors' Civil Relief Act by Liston C. Bertram, of the legal staff of the American Bankers Association. Mr. Bertram, who presented an analysis of the Act to the meeting, stated that the "primary objective of Congress in enacting this legislation was to preserve and improve the morale of the men in the fighting forces by assuring them that they and their dependents will be protected against enforcement of civil obligations that they are unable to meet because of their military service. It must also be remembered," he added, "that the Act does not create a general mandatory moratorium on soldiers' and sailors' debts and other civil obligations." Mr. Bertram added:

"The Act provides, generally, that any action to which a person in military service is a party may be stayed at any stage of the proceedings during the period of military service and within 60 days thereafter. During such period the execution of judgments, orders, attachments, and garnishments may also be stayed. Such stays may be for the period of military service and three months thereafter unless otherwise provided, and subject to such conditions as the courts may find just. These broad discretionary powers should enable the courts to effect substantial justice and avoid unnecessary hardships.

"There are few, if any, laws in effect today that have more direct bearing on the everyday operations of a bank. The amendments of 1942 so expanded the coverage of the Act that now it may affect the bank's right to obtain repayment of any loan heretofore or hereafter made to any man or woman of military age and their dependents. Furthermore, the effects of the Act will not cease with the termination of the war, but may be felt by the banks for varying periods thereafter. Consequently, the loan officer should be thoroughly familiar with all the provisions of this law and if he has not studied it, he should do so without further delay because the decisions made today may cause or avoid trouble years hence."

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano, announced on Jan. 20, that during the month ended Dec. 31, 1942, authorizations were issued to receivers for payments of dividends to the creditors of six insolvent national banks. Dividends so authorized will effect total distributions of $1,770,310 to 46,674 claimants who have proved claims aggregating $22,093,596 or an average payment of 8.01%. The announcement added:

"The minimum and maximum percentages of dividends authorized were 2.76% and 96.268%, while the smallest and largest payments involved in dividend authorizations during the month were $39,500 and $1,360,400, respectively. Of the six dividends authorized during the month, one was a regular payment, four were final payments, and one was a final principal and full interest payment.

Market Value Of Stocks On New York Curb Advanced In 1942 But Bonds Declined

Total market value and average price per share of both listed and unlisted stocks on the New York Curb Exchange as of Dec. 31, 1942, advanced, despite a reduction in the number of such issues admitted to trading and a reduction in the number of shares outstanding, according to the Exchange's compilation issued on Jan. 26. The Exchange also stated:

"Listed bonds, which also showed a drop in number had a better average price while total market value declined. Unlisted bonds also had a lower market value and average price along with a smaller number of such securities admitted to trading.

"The market value of all stocks in 1942 was $7,845,952,170 compared with $7,354,311,836 in 1941, an increase of 6⅗%. The 975 stock issues, compared with 1,018 in the preceding year, had a 13½% increase in average price per share, which was $12.50 as against $11.01 for 1941.

"Market value of the 214 bond issues dealt in, both listed and unlisted, was $2,711,560,639, as against $3,063,680,850 for 245 issues in 1941, a decline of 11½%. The average price per $100 par value of bonds was $90.29 in 1942, $90.36 in 1941.

"Total amount of shares outstanding, listed and unlisted, in 1942, was 627,392,388, or 6% lower than 668,008,801 shares in the preceding year. Bonds were $3,003,162,929 for 1942 as compared with $3,390,594,608 in 1941, a drop of 11⅖%."

Fulton Trust Co. Net $188,876 In 1942

Arthur J. Morris, President of the Fulton Trust Co. of New York, reported on Jan. 20, at the annual meeting of stockholders, that the bank's net current operating earnings for 1942 were $188,876, or $9.44 per share, compared with $219,800, or $10.99 per share in 1941. Those earnings, Mr. Morris said, do not include net profits of $45,961 on sales of securities. Mr. Morris further reported that the trust company's deposits for the year averaged $27,155,000, the peak being $30,940,000, and on Dec. 31, 1942, were $30,800,000, as compared with $29,600,000 on Dec. 31, 1941.

As to the bank's investment portfolio, President Morris said that holdings of Government securities increased by $4,412,500 during the year to a total of $22,159,000, representing 61.6% of total resources. The bonds have a maturity to the first call date as follows: 20% in one year; 40.9% from one to five years; 30.8% from 5 to 10 years, and 8.3% over 10 years. The average maturity is 4.2 years.

Mr. Morris told stockholders that the company was "prepared to cooperate in every way possible with the U. S. Treasury Department in distributing among the people new issues of Government bonds that must be sold in order to raise the necessary funds to bring the war to a victorious conclusion." Securities totaling $11,688,000 were sold by the bank to its customers during the year, with $7,590,000 being sold in December Victory Loan Drive.

At the stockholders' meeting of the Fulton Trust Co. of New York the following were elected directors for the term ending January, 1946: Arthur J. Morris, Edmund P. Rogers, Russell E. Burke, Henry W. Bull, O'Donnell Iselin, Russell V. Cruikshank and DeCoursey Fales.

Savings Banks To Extend Group Life Insurance

Group insurance policies in the Savings Bank Life Insurance System will now be offered to business and industrial organizations, Judge Edward A. Richards, President of the Savings Banks Life Insurance Fund, announced on Jan. 28, Judge Richards stated:

"During this past year the Savings Banks Life Insurance Fund prepared a group life insurance policy in addition to the regular policy forms offered by the savings banks. The issuance of group insurance was temporarily limited to savings bank employee groups in order to provide a base of group policies with known favorable mortality, on which to develop this type of business."

The announcement adds that a number of savings banks have now changed their former group policies to the Savings Bank Life Insurance System, and by joint action of the Savings Banks Life Insurance Fund and the Savings Bank Life Insurance Council, this form of insurance is now to be offered to business and industrial organizations. It is further stated that the savings bank group policies will use the New York State Minimum Group Premium Rates, and actuarial studies indicate that with normal mortality, substantial dividends will be paid by the banks on their group policies.

Draftees 18-45 Must Carry Classification Cards

U. S. Attorney General Francis Biddle said on Jan. 27 that all men between the ages of 18-45 who are subject to classification under the Selective Service Act would be required to carry classification as well as registration cards at all times after Feb. 1. Failure to do so may result in prosecution in the Federal courts. He added that the responsibility of securing a classification card rests with the individual registrant. If for any reason he has not received a classification card, or has lost the one sent him, he should immediately convey this information to his local draft board. The Attorney General further said:

"A great many men are delinquent with their local draft boards today. This may be due to negligence, as through some such oversight as failure to notify their boards of changes of address, or to deliberate intention to evade the purpose of the Selective Service Act.

"By widespread publication of the new requirement it is hoped that all those who do not now have their classification cards, but who should have them, will take the necessary steps to protect themselves before the Feb. 1 deadline. The law provides severe penalties for wilful violations of the Act. Convictions already have been secured in the Federal courts against approximately 3,500 such violators, and prison sentences up to five years have been imposed in some cases."

Local police officers are requested by the Attorney General to notify the FBI promptly of all suspected violations of the Selective Service Act.

Moody's Daily Commodity Index

Tuesday, Jan. 26	244.2
Wednesday, Jan. 27	244.2
Thursday, Jan. 28	244.2
Friday Jan. 29	244.6
Saturday, Jan 30	245.1
Monday, Feb. 1	245.4
Tuesday, Feb. 2	245.0
Two weeks ago, Jan. 19	243.6
Month ago, Jan. 2	240.2
Year ago, Feb. 2	224.8
1942 High Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, Feb. 1	245.4
Low, Jan. 2	240.2

Steel Operations Gain—Demand More Stable—Directive Hastens Placing Of War Orders

"A directive from WPB has hastened the placing of orders for components for war equipment required during 1943, creating a flurry of activity over the nation," says "The Iron Age" in its issue of today (Feb. 4), further adding in part as follows: "At least one new unbalanced situation threatens to grow larger to plague the steel industry, which is producing ingots this week at the high rate of 99.5%. Difficulties at marginal beehive coke ovens appear to be increasing. This situation, if it grew, could reduce overall output of iron and at the same time force the banking of some merchant furnaces which depend entirely upon Connellsville supplies.

"Ingot top cuts are beginning to pile up at some steel company plants and at the same time WPB is expanding as far as possible the use of Bessemer steel. The growing accumulation of ingot top cuts (aside from the usual ingot discards taken on all steel to eliminate piping) is due to several factors, including a recent restriction on new billet reinforcing bar manufacture. Lack of hot topping facilities has made deeper cuts in the ingot necessary. Also, there are many special cases where only a small portion of the ingot can be used.

"At Washington, officials estimate there is enough excess steel in Bessemer, top cut billets and old used rail to enable WPB to release 100,000 tons of steel a month for essential civilian needs. Typical products which could be made from this excess include reinforcing bars, angles, ties, fencing and wire.

"From the standpoint of the steel industry as a whole, new orders in January were not far below the volume of December. In some areas, district sales offices had a poor month on bookings, but this meant little because of the heavy directives which came directly to steel company headquarters from Washington. Much steel has been released for the expanded program for escort vessels.

"One of the tightest situations in the steel industry today is that concerning tube rounds for high pressure boiler tubing for ships. Makers of seamless and welded tubing for aircraft uses, in heavy demand for many months, continue to be hard pressed.

"Non-integrated tube makers claim that if allocations of semi-finished steel were increased, production of finished tubing could also be increased. However, some large integrated mills claim that if they did not have to ship so much semi-finished material, they likewise could step up tubular production.

"The CMP amendment announced this week, whereby allotments of controlled materials will be made upon a quarterly instead of a monthly basis, had been expected by some priorities authorities who saw the PRP plan changed similarly."

The American Iron and Steel Institute on Feb. 1 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.5% of capacity for the week beginning Feb. 1, compared with 98.6% one week ago, 97.0% one month ago and 95.0% one year ago. This represents an increase of 0.9 point or 0.9% from the preceding week. The operating rate for the week beginning Feb. 1 is equivalent to 1,702,100 tons of steel ingots and castings, compared to 1,686,700 tons one week ago, 1,659,400 tons one month ago and 1,614,200 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Feb. 1 stated in part: "Demand for steel is becoming stabilized as war goods manufacturers convert their allotments under Production Requirements Plan into mill orders and the volume being placed varies little from earlier quarters, some mills receiving a little more and others less.

"The general delivery situation has not changed materially, alloy steels being most extended. In carbon steels shipments on billets and large rounds are most delayed, with nothing available for first quarter except on directives and little promise for anything earlier than the middle of second quarter on high priorities. Small rounds with high ratings can be had in five to six weeks. Structural shape delivery has receded to six or eight weeks because of diversion of semi-finished steel to other uses, rather than to increased building activity. Hot-rolled sheets can be had in about five weeks, cold-rolled in five to six weeks and galvanized sheets in about seven weeks, though some sheetmakers can not do as well as this.

"A flurry of plate buying was experienced last week as consumers completed their applications for March tonnage, which were due Feb. 1. Most sellers found their customers asked an increase, attributed to shipbuilding needs and railroad requirements.

"Restrictions on use of various steel products has reduced demand to such an extent that better semifinished supply is available for other forms of steel of more importance to the war effort. Dwindling demand for structural steel and reinforcing bars is increasing tonnage available for plates, bars and sheets, for which requirements continue heavy. Backwardness of tin can manufacturers in placing their orders for tin plate is reducing production of the latter and steel otherwise destined for that use is being diverted to sheets and bars. This delay in placing tin plate orders may bring a period of order congestion late, as food pack requirements this year will be heavy.

"Scrap continues to flow in volume sufficient to meet all needs and a backlog remains in dealers' yards as assurance of continued supply for some time. The latter is not being prepared as rapidly as usual under weather and labor conditions.

"Better supply of fluorspar is expected this year to meet metallurgical demand, War Production Board announcing entry of five new producers, who are expected to provide 60,000 tons per year to increase domestic supply."

Corn Prices Frozen To Halt Advances

In a move designed to halt further sharp advances in the price of corn—America's largest farm crop—the Office of Price Administration on Jan. 12 froze corn prices on all exchanges and in every cash and local market over the country generally at the highest levels at which sales were made on Jan. 11, 1943. OPA's action on corn, previously uncontrolled at all levels of distribution, was made upon instructions from Stabilization Director James F. Byrnes. The move also was approved by Secretary of Agriculture Claude R. Wickard. The OPA in its advices further said:

"Price ceilings on corn will be established by means of a temporary 60-day 'freeze' regulation, effective Jan. 13. Prices of corn futures contracts and prices for cash corn in the recognized cash markets were frozen at the highest level prevailing on Jan. 11. Corn prices at the small local markets were placed under ceilings generally at the highest prices prevailing during the period Jan. 8 to 12. In most instances, these highs were reached on Jan. 11.

"Within the next 60 days, OPA will issue a permanent regulation on corn, which will continue the levels frozen by today's action and will be based on $1.00 a bushel for number 2 yellow corn in Chicago.

"In a joint statement, Mr. Byrnes, Secretary Wickard and OPA Deputy Administrator J. K. Galbraith pointed out that present prices for corn reflect in excess of 100% of parity, taking into consideration only the AAA payments made by the Department of Agriculture.

"Ceiling price levels set in the temporary regulation," they stated, "will be continued in the later permanent order. There definitely will be no increase in the general level or corn prices.

"Only seed corn, popcorn, grain sorghums, sweet corn, broom corn and local farmer-to-farmer sales of corn were continued exempt from price control.

"It was emphasized that the new ceilings would apply to all corn futures transactions on the grain exchanges in Chicago, Kansas City, and Minnaepolis. The price ban also will apply to cash corn dealings on these same three markets, in addition to all other recognized cash markets including but not confined to such far-flung points as Omaha, Sioux City, Ia., St. Louis, Memphis, Cairo, Ill., Peoria, Ill., Cincinnati, Buffalo, San Francisco, Indianapolis, Portland, Ore., Baltimore, Philadelphia, and Boston.

"In addition, sales in all small local markets also will be covered.

"OPA officials explained that the price controls will work at the various marketing points as follows:

"On futures: Ceiling prices will be the highest level at which each individual corn futures option sold on Jan. 11.

"On cash corn in the recognized markets: Maximums will be the top prices for which No. 2 yellow corn sold on Jan. 11, with premiums or discounts above or below this price for every other grade reflecting the differences in sales prices which prevailed on that date. If no sales were made on Jan. 11 on any particular class and grade of corn the maximum shall be determined by using as a base price the highest price for the best grade of that class of corn, which did sell in this market on Jan. 11.

"The differential which existed between the two classes and grades of corn on the most recent day on which both sold in that market then shall be added to or subtracted from the base price.

"On cash corn in the local markets: Ceiling prices will be alternatively: (1) the maximum price at which the seller did business during the five day period from Jan. 8 to 12; or (2) the highest price at which the seller offered during that same period; or (3) the maximum price during such period at the nearest recognized grain market, which is a source of supply, plus the charge at the carload rail rate flat or proportional whichever is appropriate from the recognized market to the local market.

"If the movement of corn to the local market normally would be made on transit billing, the freight charge shall be calculated by using the normal transit balance rail rate applicable to such movement."

Newsprint Deliveries Restricted By Canada

Newsprint deliveries by Canadian mills are restricted to 90% of their average deliveries between Oct. 1, 1941, and March 31, 1942, under an order issued by Newsprint Administrator R. L. Weldon, the War-Time Prices and Control Board announces. It was pointed out in Canadian Press accounts that an announcement of a 10% cut was made in the United States Dec. 31 and at that time the War-Time Prices and Control Board made a simultaneous announcement that paper for newspapers and periodicals was being rationed, but there was no specific information as to the extent of the cut imposed on Canadian newsprint producers. Reference to this appeared in our issue of Jan. 14, page 195 and 198.

From Canadian Press Ottawa advices the following is also taken:

The new Canadian order supersedes one issued by the administrator last Oct. 28 restricting production to 100% of the average monthly quantity produced for sale within Canada or the United States from April 1 to Sept. 30, 1942.

"The order prohibits delivery or acceptance of newsprint in any quantity which would increase the buyer's stock beyond 75 days' supply on the basis of current method and rate of operation or sale," the Prices Board said. "However, one carload or less may be accepted if it does not bring the buyer's inventory above two carloads.

"If a particular item of newsprint is under 30 days' supply, it may be delivered even though the gross inventory is up to or above the prescribed maximum."

1942 Rayon Output Up 10% To New High

Production of rayon by United States producers in 1942 aggregated 632,600,000 pounds, an increase of 10%, or 59,400,000 pounds, as compared with the previous peak production of 573,200,000 pounds reported for 1941, according to figures compiled by the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York.

"All branches of the industry contributed to this general advance in production," states the "Organon." "The production of rayon filament yarns, all processes, amounted to 479,300,000 pounds, an increase of 6% above the 1941 level, of which viscose and cuprammonium yarns accounted for 310,500,000 pounds and acetate yarn accounted for 168,800,000 pounds, a gain of 8% and 3%, respectively, as compared with 1941. Staple fiber output in 1942 amounted to 153,300,000 pounds, an increase of 25% as compared with the 1941 output."

The announcement further said:

Due to increased war and civilian use, the consumption of rayon established new high levels in 1942 as was to be expected. Deliveries of rayon by American mills to consumers last year amounted to 620,600,000 pounds, an increase of 5% as compared with the previous record of 591,700,000 pounds shipped in 1941.

Rayon filament yarn shipments alone totaled 468,800,000 pounds in 1942, an increase of 4% as compared with shipments of 452,400,000 pounds in 1941. Percentagewise, domestic deliveries of staple fiber showed a larger gain, having increased 9% from deliveries of 139,300,000 pounds (domestic deliveries plus imports) in 1941 to 151,800,000 (domestic deliveries only) in 1942. It will be recalled that, subsequent to September, 1941, the U. S. Government discontinued the publication of all import and export data for the duration of the war. However, it is unlikely that any substantial quantity of staple fiber was imported into this country during 1942. Thus the deliveries of domestic staple fiber more than made up for the import deficiency.

A preliminary announcement on 1942 production was referred to in these columns of Jan. 14, page 203.

Dec. Living Cost Up 0.7%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward progress with a rise of 0.7% in December, according to the National Industrial Conference Board, New York. The Board, under date of Jan. 16, points out that as in the past months, food prices accounted for the larger part of the advance, showing a rise of 1.7 during December. Sundries went up 0.2% and fuel and light increased 0.1% due to an advance of 0.1% in the cost of coal. No change occurred in housing and clothing, the other items included in the survey.

The Board's index of the cost of living (1923 = 100) stood at 101.0 in December as compared with 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, 93.2 in December, 1941, and 86.0 in January, 1941. The Board further states:

"The level of living costs was 8.4% higher than that of a year ago. Food showed the greatest advance over December, 1941 with an increase of 17%. Other advances during the 12 months were: clothing, 10.6%; sundries, 4.1%; housing, 1%, and fuel and light, 0.3%.

"The purchasing value of the dollar, which amounted to 99.7 cents in November, declined to 99.0 cents in December. It stood at 100.3 cents in October and 107.3 cents a year ago."

Foreign Trade Convention Report Made Available

The National Foreign Trade Council, New York, issued on Jan. 19 the report of proceedings of its 29th foreign trade convention, held Oct. 7-9 in Boston. In the introduction, James A. Farrell, Chairman, and Eugene P. Thomas, President of the National Foreign Trade Council, recommended this verbatim report to libraries and Americans in general as a reflection of American business thought respecting wartime and post-war problems that affect so profoundly the future interests of the United States in world trade and commerce. It is likewise pointed out:

"The addresses delivered at the Convention by eminent speakers, especially those relating to international economic reconstruction, should prove of great value to those who are giving thought to the question of future planning, as well as to all students of international affairs who hope for a new era of international cooperation and the elimination of trade barriers that prevent the freer exchange of goods and services which it is the declared purpose of the Atlantic Charter and the Mutual Aid Agreement to make more effective than in prewar years.

"This volume contains the message sent to the Convention by President Roosevelt, a verbatim report of the speech of the Under Secretary of State, Sumner Welles, and other important addresses which should be read by everyone concerned about America's place in the new world economic order."

The report of proceedings consists of 602 pages, with an index, and is priced at $2.50, obtainable at the Council's office, 26 Beaver Street, New York City.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 2	117.07	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
1	117.04	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
Jan. 30	117.03	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
28	117.04	108.70	117.40	115.04	109.79	94.56	99.04	112.56	115.43
27	117.03	108.70	117.40	115.04	109.79	94.41	98.88	112.37	115.43
26	117.04	108.52	117.40	114.85	109.79	94.41	98.88	112.37	115.43
25	117.05	108.52	117.40	114.85	109.60	94.41	98.88	112.37	115.24
23	117.05	108.34	117.40	114.66	109.60	94.26	98.73	112.37	115.24
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
21	117.07	108.34	117.40	114.66	109.60	94.12	98.57	112.37	115.24
20	117.07	108.34	117.20	114.66	109.60	93.97	98.41	112.37	115.04
19	117.06	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
18	117.05	108.16	117.20	114.66	109.42	93.82	98.09	112.19	115.04
16	117.05	108.16	117.20	114.66	109.42	93.82	98.25	112.19	115.04
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
14	117.05	108.16	117.20	114.46	109.42	93.67	98.41	112.19	115.04
13	117.05	107.98	117.00	114.46	109.24	93.52	98.41	112.00	115.04
12	117.05	107.98	117.00	114.46	109.24	93.38	97.94	112.00	114.85
11	117.05	107.80	117.00	114.27	109.06	93.38	97.78	112.19	114.66
9	117.04	107.62	116.80	114.08	109.06	93.08	97.62	112.00	114.66
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
7	117.05	107.62	117.00	114.08	109.06	92.79	97.47	111.81	114.66
6	117.07	107.62	116.80	114.08	109.06	92.64	97.31	111.81	114.66
5	117.03	107.44	116.80	113.89	108.88	92.20	97.31	111.81	114.66
4	116.94	107.44	117.00	114.08	108.88	92.35	97.31	111.81	114.46
2	116.85	107.44	117.00	113.89	109.06	92.35	97.16	111.81	114.46
1 Exchange Closed									
High 1943	117.07	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Feb. 2, 1942	117.17	106.74	116.22	113.50	107.80	92.06	97.31	110.52	113.50
2 Years ago									
Feb. 1, 1941	117.12	106.21	117.80	113.50	106.39	90.34	96.69	109.79	113.31

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Feb. 2	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
1	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
Jan. 30	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
28	2.06	3.24	2.78	2.90	3.18	4.10	3.81	3.03	2.88
27	2.06	3.24	2.78	2.90	3.18	4.11	3.82	3.04	2.88
26	2.06	3.25	2.78	2.91	3.18	4.11	3.82	3.04	2.88
25	2.06	3.25	2.78	2.91	3.19	4.11	3.82	3.04	2.89
23	2.06	3.26	2.78	2.92	3.19	4.12	3.83	3.04	2.89
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
21	2.06	3.26	2.78	2.92	3.19	4.13	3.84	3.04	2.89
20	2.06	3.26	2.79	2.92	3.19	4.14	3.85	3.04	2.90
19	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
18	2.06	3.27	2.79	2.92	3.20	4.15	3.87	3.05	2.90
16	2.06	3.27	2.79	2.92	3.20	4.15	3.86	3.05	2.90
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
14	2.06	3.27	2.79	2.93	3.20	4.16	3.85	3.05	2.90
13	2.06	3.28	2.80	2.93	3.21	4.17	3.85	3.06	2.90
12	2.06	3.28	2.80	2.93	3.21	4.18	3.88	3.06	2.91
11	2.06	3.29	2.80	2.94	3.22	4.18	3.89	3.05	2.92
9	2.07	3.30	2.81	2.95	3.22	4.20	3.90	3.06	2.92
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
7	2.06	3.30	2.80	2.95	3.22	4.22	3.91	3.07	2.92
6	2.06	3.30	2.81	2.95	3.22	4.23	3.92	3.07	2.92
5	2.07	3.31	2.81	2.95	3.22	4.24	3.92	3.07	2.92
4	2.07	3.31	2.80	2.95	3.23	4.25	3.92	3.07	2.93
2	2.08	3.31	2.80	2.96	3.22	4.25	3.93	3.07	2.93
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Feb. 2, 1942	2.04	3.35	2.84	2.98	3.29	4.27	3.92	3.14	2.98
2 Years ago									
Feb. 1, 1941	2.06	3.38	2.76	2.98	3.37	4.39	3.96	3.18	2.99

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

Dec. Building Permit Valuations Down 72%; Full Year Total Shows Falling Off Of 43%

Building permit valuations for 1942 were 43% below the 1941 total, Secretary of Labor Frances Perkins reported on Jan. 30. "Los Angeles reported the highest permit valuations in 1942 and Washington, D. C., ranked second," she said. "New York City, which held first place each year since the Department of Labor began collecting building permit statistics in 1921, dropped to third place. Chicago and Philadelphia ranked fourth and fifth, respectively," said Secretary Perkins, who added:

"Although total permit valuations reported to the Bureau of Labor Statistics were lower in 1942 than in 1941, substantial increases occurred in cities with expanding war activities. This was the case in Washington, Chicago, and Philadelphia, and even larger increases were reported in Norfolk, Va., Portland, Ore., Camden, N. J., Syracuse, N. Y., Tacoma, Wash., and Saginaw, Mich.

"December permit valuations were 12% below those for November 1942, chiefly as a result of a 27% decrease in new residential building. Permit valuations for new nonresidential construction rose 21% during the month. The total for December 1942 was 72% below that for the same month of last year. Tapering off of the Federal construction program accounted for the major part of this drop.

"During 1942, permits were issued in reporting cities for buildings valued at $1,720,166,000, a decrease of 43% as compared with 1941. Permit valuations for new residential buildings amounted to $785,779,000 in 1942, a decline of 46% from 1941. Permit valuations for new nonresidential buildings decreased 44% over the year, while those for additions, alterations, and repairs declined 32%."

These tabulations, compiled by the Bureau of Labor Statistics, include contracts awarded by Federal and State Governments in addition to private and municipal building construction. For December, 1942, Federal and State construction in the 2,345 reporting cities totaled $15,955,000; for November, 1942, $21,744,000; and for December, 1941, $101,045,000.

Changes in permit valuations between December 1942, November 1942, and December 1941, in the 2,345 reporting cities are summarized below:

Class of Construction	Percentage change from Nov. 1942 to Dec. 1942	Percentage change from Dec. 1941 to Dec. 1942
New residential	—26.9	—58.2
New non-residential	+21.0	—83.4
Additions, alterations, and repairs	— 8.4	—47.9
All construction	—11.8	—71.5

Permits were issued in the 2,345 reporting cities in December 1942 for new housekeeping dwellings which will provide 9,923 units, or 16% less than the 11,812 dwelling units provided in November 1942, and 42% less than the number provided in December 1941. Dwelling units in publicly financed projects included in these totals numbered 2,996 in December 1942, 3,563 in November 1942, and 2,335 in December 1941. In addition, the Federal Government awarded contracts in December 1942 for dormitories providing accommodations for 1,240 persons. In November 1942, 3,048 dormitory units were provided.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in December 1942, except certain projects which have been excluded because of their confidential nature, were: Lynn, Mass., a factory to cost $323,000; Camden, N. J., 2-family dwellings to cost $701,000; Marcus Hook, Pa., a factory to cost $1,981,000; Philadelphia, Pa., 1-family dwellings to cost $1,016,000; Berkley, Mich., 1-family dwellings to cost $410,000; Dearborn, Mich., a factory to cost $1,500,000; Detroit, Mich., 1-family dwellings to cost $1,602,000, and a factory to cost $514,000; Garden City, Mich., 1-family dwellings to cost $326,000; Baltimore, Md., 2-family dwellings to cost $301,000; Norfolk, Va., multifamily dwellings to cost $627,000; Alexandria, La., 1-family dwellings to cost $259,000, and 2-family dwellings to cost $541,000; Corpus Christi, Texas, addition to a refinery to cost $1,000,000; Fort Worth, Texas, a factory to cost $459,000; Las Vegas, Nev., 1-family dwellings to cost $310,000; Los Angeles, Calif., 1-family dwellings to cost $570,000; San Leandro, Calif., 1-family dwellings to cost $604,000; and Tacoma, Wash., 1-family dwellings to cost $439,000.

Contracts were awarded during December 1942 for the following publicly financed housing projects containing the indicated number of housekeeping units: East Hartford, Conn., $1,448,000 for 561 units; Washington, D. C., $1,300,000 for 500 units; Fort Myers, Fla., $274,000 for 160 units; Charleston, S. C., $375,000 for 214 units; Mobile, Ala., $956,000 for 604 units; Laredo, Texas, $375,000 for 207 units; Anaconda, Mont., $470,000 for 200 units; San Francisco, Calif., $1,450,000 for 500 units; and Everett, Wash., $138,000 for 50 units. In addition, contracts were awarded for dormitory accommodations for 200 persons at Charleston, S. C., to cost $125,000; for 240 persons at Mobile, Ala., to cost $175,000; and for 500 persons at San Francisco, Calif., to cost $400,000. Contracts were also awarded for converting buildings to dormitories as follows: $5,000 for accommodations for 100 persons at Southern Pines, N. C., and $28,000 for accommodations for 200 persons at Mobile, Ala.

National Fertilizer Association Commodity Price Average Higher

The eighth consecutive advance in the general level of wholesale commodity prices took place last week, according to the price index compiled by the National Fertilizer Association and made public Feb. 1. In the week ended Jan. 30 this index rose slightly to 134.0 from 133.9 in the preceding week. A month ago the index was 132.2 and a year ago it was 121.5, based on the 1935-1939 average as 100. The Association's report added:

The fractional rise in the all-commodity index was due mainly to higher prices for farm products and building materials. The food price average was lower during last week, although price changes in the group were about evenly balanced. The farm product price index was higher, due primarily to increased grain and livestock quotations, which more than offset a decline in cotton prices. The building materials price average rose fractionally, due to advancing quotations for linseed oil. Minor declines were registered by the indexes representing the prices of miscellaneous commodities and textiles.

During the week 19 commodities advanced and seven declined, in the preceding week there were 14 advances and four declines, in the second preceding week there were 10 advances and eight declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Jan. 30, 1943	Preceding Week Jan. 23, 1943	Month Ago Dec. 26, 1942	Year Ago Jan. 31, 1942
25.3	Foods	137.8	138.0	135.8	117.0
	Fats and Oils	148.5	148.5	148.8	132.7
	Cottonseed Oil	159.0	159.0	164.7	158.7
23.0	Farm Products	150.9	150.7	147.0	131.5
	Cotton	194.6	195.2	187.9	186.8
	Grains	133.4	133.2	128.7	121.1
	Livestock	148.1	147.7	144.8	122.8
17.3	Fuels	120.0	120.0	119.3	113.3
10.8	Miscellaneous commodities	129.0	129.3	129.5	127.8
8.2	Textiles	150.4	150.5	149.2	147.1
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	151.6	151.4	151.4	131.9
1.3	Chemicals and drugs	127.6	127.6	127.6	120.1
.3	Fertilizer materials	117.6	117.6	117.6	117.6
.3	Fertilizers	115.3	115.3	115.3	114.0
.3	Farm machinery	104.1	104.1	104.1	103.5
100.0	All groups combined	134.0	133.9	132.2	121.5

*Indexes on 1926-1928 base were Jan. 30, 1943, 104.4; Jan. 23, 1943, 104.3, Jan. 31, 1942, 94.6.

Electric Output For Week Ended Jan. 30, 1943 Shows 14.7% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 30, 1943 was approximately 3,976,844,000 kwh., compared with 3,468,193,000 kwh. in the corresponding week last year, an increase of 14.7%. The output for the week ended Jan. 23, 1943, was 15.5% in excess of the similar period in 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Jan. 30	Jan. 23	Jan 16	Jan. 9
New England	3.6	7.0	3.7	2.7
Middle Atlantic	7.7	9.6	7.1	6.3
Central Industrial	12.2	12.6	12.2	11.6
West Central	15.6	14.3	12.4	13.6
Southern States	20.1	21.2	21.4	22.7
Rocky Mountain	13.8	11.0	13.5	11.4
Pacific Coast	29.6	30.6	29.0	25.0
Total United States	14.7	15.5	14.5	13.8

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203

Roosevelt Chief Executive In Or Out Of U. S.

In advices from Washington, Jan. 26, the United Press said:

"President Roosevelt is Chief Executive in or out of the United States under American law and no 'acting President' was necessary during his conference in Casablanca with Prime Minister Churchill.

"Officials said that any papers that Mr. Roosevelt signed while abroad would be just as binding and legal as if they had been initialed here at the White House. But they doubted whether he found much time for routine 'paper work'."

Chicago Mercantile Exch. Names Committee Heads

Sixty-two appointments to the 10 standing commmittees of the Chicago Mercantile Exchange have been made by Maurice Mandeville, President, and approved by the board of governors. Committee chairmen, as announced on Jan. 25, are: Clearing House, Michael E. Fox; rules, Nick Fennema; finance, Joseph Godow; membership, Victor C. Dauber; butter, Thomas J. Ryan; egg, Garrett B. Shawhan; frozen egg, V. O. Appel; onion, David Slinger; potato, Harry H. Field; and approved warehouse, Max Weinberg.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Jan. 23, 1943, is estimated at 11,200,000 net tons, a decrease of 375,000 tons, or 3.2%, from the preceding week. Production in the week of Jan. 24, 1942, was estimated at 11,305,000 tons. For the year to date, output was 5.5% lower than in the corresponding period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Jan. 23, 1943, was estimated at 1,047,000 tons, an increase of 40,000 (4%) over the preceding week, When compared with the output in the corresponding period last year, there was a decrease of 218,000 tons, or 17.2%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Jan. 23, 1943, showed a decrease of 3,400 tons when compared with the output for the week ended Jan. 16. The quantity of coke from beehive ovens increased 1,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	Jan. 23, 1943	†Jan. 16, 1943	Jan. 24, 1942	‡Jan. 23, 1943	Jan. 24, ‡1942	Jan. 23, 1937
Total, incl. mine fuel	11,200	11,575	11,305	35,629	37,686	32,599
Daily average	1,867	1,929	1,884	1,875	1,884	1,716
*Crude Petroleum—						
Coal equivalent of weekly output	6,165	6,166	6,906	20,519	23,394	16,895

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,000 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Jan. 23, 1943	Jan. 16, 1943	Jan. 24, 1942	Jan. 23, 1943	Jan. 24, 1942	Jan. 26, 1929
*Total, incl. colliery fuel	1,047,000	1,007,000	1,265,000	2,992,000	3,436,000	5,931,000
†Commercial production	1,005,000	967,000	¶1,214,000	2,872,000	¶3,299,000	5,504,000
Beehive coke—						
United States total	154,900	153,600	145,800	494,200	491,700	439,500
By-product coke—						
United States total	1,213,700	1,217,100	‡	3,981,600	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Jan. avge.
State—	Jan. 16, 1943	Jan. 9, 1943	Jan. 17, 1942	Jan. 18, 1941	Jan. 16, 1937	¶19[illegible]
Alaska	6	6	3	5	2	**
Alabama	378	382	373	310	277	434
Arkansas and Oklahoma	98	102	108	93	114	93
Colorado	192	190	212	166	239	226
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,345	1,280	1,552	1,192	1,315	2,111
Indiana	510	526	570	448	393	659
Iowa	66	63	76	74	116	140
Kansas and Missouri	200	208	220	155	200	190
Kentucky—Eastern	919	885	887	795	830	607
Kentucky—Western	311	302	270	199	199	240
Maryland	29	27	37	36	40	55
Michigan	7	6	5	13	18	32
Montana (bituminous and lignite)	106	110	100	64	78	82
New Mexico	37	40	32	22	47	73
North and South Dakota (lignite)	74	88	64	69	66	**50
Ohio	694	628	646	487	567	814
Pennsylvania (bituminous)	2,696	2,408	2,558	2,501	2,727	3,402
Tennessee	143	141	166	122	111	133
Texas (bituminous and lignite)	8	8	9	7	15	26
Utah	130	131	125	93	141	109
Virginia	407	382	390	315	308	211
Washington	49	44	40	35	54	74
*West Virginia—Southern	2,135	2,055	2,046	1,814	1,952	1,134
†West Virginia—Northern	841	890	830	675	620	762
Wyoming	193	207	175	116	170	186
‡Other Western States	††	††	††	1	††	**7
Total bituminous and lignite	11,575	11,110	11,495	9,808	10,600	11,850
§Pennsylvania anthracite	1,007	888	1,232	1,228	999	1,968
Total all coal	12,582	11,998	12,727	11,036	11,599	13,818

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona Idaho and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Daily Average Crude Oil Production For Week Ended Jan. 23, 1943 Shows Little Change

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 23, 1943, was 3,849,000 barrels, a decrease of only 500 barrels from the preceding week. It was, however, 462,300 barrels per day less than during the corresponding period last year, and was also 275,200 barrels below the daily average figure for the month of January, 1943, as recommended by the Office of Petroleum Administration for War. Daily production for the four weeks ended Jan. 23, 1943, averaged 3,847,550 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,615,000 barrels of crude oil daily and produced 10,291,000 barrels of gasoline; 4,006,000 barrels of distillate fuel oil, and 7,316,000 barrels of residual fuel oil during the week ended Jan. 23, 1943; and had in storage at the end of that week 87,102,000 barrels of gasoline; 38,034,000 barrels of distillate fuels and 71,216,000 barrels of residual fuel oils.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations January	*State Allowables Beginning Jan. 1	Actual Production— Week Ended Jan. 23 1943	Change From Previous Week	4 Weeks Ended Jan. 23 1943	Week Ended Jan. 24 1942
Oklahoma	400,600	400,600	†346,650	— 750	349,450	409,850
Kansas	310,000	310,000	†307,500	+ 6,850	290,500	254,200
Nebraska	3,400	------	†2,450	— 200	2,700	5,000
Panhandle Texas			88,400	+ 100	88,900	91,100
North Texas			136,700	+ 500	136,900	146,800
West Texas			201,100	+ 800	202,100	348,500
East Central Texas			101,600	----	101,500	93,800
East Texas			327,600	----	333,350	439,800
Southwest Texas			166,700	+ 400	169,200	259,300
Coastal Texas			308,800	+ 300	309,250	346,300
Total Texas	1,426,800	‡1,426,843	1,330,900	+ 2,100	1,341,200	1,725,600
North Louisiana			90,500	— 2,300	92,300	82,700
Coastal Louisiana			247,700	+ 600	241,200	283,650
Total Louisiana	347,500	359,500	338,200	— 1,700	333,500	366,350
Arkansas	78,300	74,826	75,050	— 100	75,100	74,150
Mississippi	50,000		†57,500	— 1,050	59,300	74,950
Illinois	272,600		240,050	+11,750	245,200	366,950
Indiana	17,200		†14,350	— 200	15,500	16,000
Eastern (Not incl. Ill. & Ind.)	107,600		90,200	— 300	90,200	98,250
Michigan	63,700		58,900	— 3,500	59,350	48,200
Wyoming	94,500		85,300	— 3,100	85,800	91,600
Montana	24,700		22,450	— 100	22,550	20,850
Colorado	7,000		6,400	— 300	6,450	6,500
New Mexico	105,300	105,300	98,300	+ 300	95,750	118,850
Total East of Calif.	3,309,200		3,074,200	+ 9,700	3,072,600	3,677,300
California	815,000	§815,000	774,800	—10,200	774,950	634,000
Total United States	4,124,200		3,849,000	— 500	3,847,550	4,311,300

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in October, 1942, as follows: Oklahoma, 30,000; Kansas, 5,200; Texas, 103,700; Louisiana, 20,500; Arkansas, 3,000; Illinois, 10,300; Eastern (not including Illinois and Indiana), 10,400; Michigan, 100; Wyoming, 2,600; Montana, 300; New Mexico, 5,700; California, 42,200.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Jan. 20.

‡This is the net basic allowable as of Jan. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 15 days, the entire state was ordered shut down for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JAN. 23, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

	Daily Refining Capacity		Crude Runs to Stills		Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis			
District—	Potential Rate	% Reporting	Daily Average	% Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,438	88.2	1,586	65.1	4,562	37,992	18,443	10,963
Appalachian	177	84.8	157	88.7	388	2,807	683	495
Ind., Ill., Ky.	811	85.0	746	92.0	2,273	17,828	4,952	2,568
Okla., Kansas, Mo.	416	80.1	320	76.9	1,078	7,202	1,544	1,348
Rocky Mountain	147	48.0	107	72.8	341	1,798	364	568
California	817	89.9	699	85.6	1,649	19,475	12,048	55,274
Tot. U. S. B. of M. basis Jan. 23, 1943	4,806	85.9	3,615	75.2	10,291	†87,102	38,034	71,216
Tot. U. S. B. of M. basis Jan. 16, 1943	4,806	85.9	3,640	75.7	10,726	84,955	39,841	¶71,517
U. S. Bur. of Mines basis Jan. 24, 1942			3,874		13,048	99,345	42,307	90,764

*At the request of the Petroleum Administration for War. †Finished, 77,291,000 bbls.; unfinished, 9,811,000 bbls. ‡At refineries, at bulk termnials, in transit and in pipe lines. §Not including 4,006,000 bbls. of gas oil and distillate fuel and 7,316,000 bbls. of residual fuel produced during the week ended Jan. 23, 1943, which compares with 4,178,000 bbls. and 7,496,000 bbls., respectively, in the preceding week, and 3,817,000 bbls. and 6,640,000 bbls., respectively, in the week ended Jan. 24, 1942. ¶Revised downward in combined area by 281,000 bbls. due to change in original reporting.

Non-Ferrous Metals—OPA Sets Ceiling Prices For Metals In Platinum Group—Lend-Lease Aid

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Jan. 28, stated: "OPA announced last week maximum prices on six platinum metals. The ceiling on refined platinum was set at $1 an ounce troy below the published price of the leading interest, or at $35. Producers usually sold platinum at prices a little below the so-called official quotation. The price situation in major non-ferrous metals was unchanged last week.

Lend-Lease aid in metals—ferrous and non-ferrous—from March, 1941, to the end of 1942, was valued at $506,564,000." The publication further went on to say in part:

Copper

The work entailed in arranging for distribution of copper that is to be shipped to consumers during February has been completed. Some shortages appeared, but this development was disposed of immediately after Metals Reserve released additional tonnages.

Lend-Lease authorities in Washington disclosed last week that 7.2% of our new supply of copper (production plus imports) for 1942 was exported. Quotations on domestic and foreign copper were unchanged last week.

Lead

The regular monthly meeting to discuss allocation of lead from supplies owned by Metals Reserve occurred in Washington on Jan. 26. Call for foreign lead was smaller than anticipated. Whether this means that demand has dropped, compared with recent months, or whether consumers are no longer concerned about obtaining needed supplies and therefore are slow in filing their requests for lead, is not known in trade circles.

Sales of common lead for the last week were much higher than in the week previous. Quotations were unchanged.

Zinc

Details of the revised premium price plan for stimulating zinc concentrate production in this country are expected to be released soon, according to Washington advices.

Allocations for zinc for February appeared on the market last week. The price situation has not changed, Prime Western continuing on the basis of 8¼¢, St. Louis.

Platinum

Ceiling prices for the metals in the platinum group were established by OPA in an order issued Jan. 26. The following levels were named, effective over most of the country on Feb. 11: Refined platinum (ingot, bars, sheets, plates, wire not less than one-eighth inch thick, and sponge), $35 per troy ounce; palladium, $24; ruthenium, $35; rhodium, $125; iridium, $165; osmium, $50.

Tin

Though reports came through from the Pacific Coast from time to time in reference to new deposits of tin, nothing of any consequence has been uncovered during the last year. According to the War Production Board, imports of tin ore in 1942 accounted for all but 1% of the total supply of new ore or concentrate available in that year.

Quotations for tin remained unchanged. Straits quality tin for future shipment was nominally as follows:

	Feb.	March	April
Jan. 21	52.000	52.000	52.000
Jan. 22	52.000	52.000	52.000
Jan. 23	52.000	52.000	52.000
Jan. 25	52.000	52.000	52.000
Jan. 26	52.000	52.000	52.000
Jan. 27	52.000	52.000	52.000

Chinese tin, 99% grade, spot or nearby delivery, 51.125¢ all week.

Fluorspar

At least five new producers of metallurgical grade fluorspar are expected to come into production in 1943 according to present plans, which should add another 60,000 tons of this critical material to the supply available to the steel mills, it was revealed last week after a meeting of the Fluorspar Producers Industry Advisory Committee in Washington. Henry T. Mudd, Chief of WPB's Fluorspar Section, was the Government Presiding Officer.

The new reporting form for fluorspar producers prepared by WPB indicates that development work is being done by about 75% of the mines, and that 45% of the mines expect increased production if labor is available in sufficient quantity.

Quicksilver

Importations of quicksilver during 1942 accounted for 44% of this country's total supply—production plus imports—according to the War Production Board. Earlier in the year it was stated officially that the United States produced more quicksilver in 1942 than in the prior year. Consumption has increased to record proportions, but manufacturers have experienced no difficulty in obtaining necessary supplies. The price situation remains unchanged. Quotations in New York continued at $196@$198.

Silver

The United States produced 54,000,000 oz. of silver during 1942, according to an estimate by Handy & Harman. This compares with 69,100,000 oz. in 1941.

The silver market in London during the last week was unchanged at 23½d. an ounce troy. The New York Official continued at 44¾¢ and the Treasury's price held at 35¢.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc, and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Trading On New York Exchanges

The Securities and Exchange Commission made public Jan. 29 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Jan. 16, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Jan. 16 (in round-lot transactions) totaled 1,371,455 shares, which amount was 15.14% of total transactions on the Exchange of 4,527,440 shares. This compares with member trading during the week ended Jan. 2 of 1,384,872 shares, or 12.43% of total trading of 5,568,570 shares. On the New York Curb Exchange, member trading during the week ended Jan. 16 amounted to 275,580 shares, or 17.59% of the total volume of that Exchange of 783,460 shares; during the Jan. 2 week trading for the account of Curb members of 359,295 shares was 13.53% of total trading of 1,328,300 shares.

The Commission made available the following data for the week ended Jan. 16:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	655
1. Reports showing transactions as specialists	170	90
2. Reports showing other transactions initiated on the floor	178	29
3. Reports showing other transactions initiated off the floor	202	83
4. Reports showing no transactions	497	475

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED JAN. 16, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	81,110	
‡Other sales	4,446,330	
Total sales	4,527,440	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	341,740	
Short sales	42,290	
‡Other sales	320,410	
Total sales	362,700	7.78
2. Other transactions initiated on the floor—		
Total purchases	211,760	
Short sales	11,450	
‡Other sales	181,860	
Total sales	193,310	4.47
3. Other transactions initiated off the floor—		
Total purchases	121,920	
Short sales	10,800	
‡Other sales	129,225	
Total sales	140,025	2.89
4. Total—		
Total purchases	675,420	
Short sales	64,540	
‡Other sales	631,495	
Total sales	696,035	15.14

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED JAN. 16, 1943

	Total for week	†Per cent
A. Total Round-Lot Sales:		
Short sales	4,505	
‡Other sales	778,955	
Total sales	783,460	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	78,790	
Short sales	3,905	
‡Other sales	95,470	
Total sales	99,375	11.37
2. Other transactions initiated on the floor—		
Total purchases	13,910	
Short sales	0	
‡Other sales	22,750	
Total sales	22,750	2.34
3. Other transactions initiated off the floor—		
Total purchases	28,830	
Short sales	400	
‡Other sales	31,525	
Total sales	31,925	3.88
4. Total—		
Total purchases	121,530	
Short sales	4,305	
‡Other sales	149,745	
Total sales	154,050	17.59
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	23,159	
Total purchases	23,159	
Total sales	34,703	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Wholesale Commodity Prices Advanced 0.9% During Jan. 23 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Jan. 28 that further gains in prices for agricultural commodities, principally grains and livestock, dominated the commodity markets during the week ended Jan. 23. The Bureau's comprehensive index of nearly 900 series in primary markets rose 0.1% to 101.7% of the 1926 average. In the past four weeks the index has risen 0.5% and is 6.5% higher than at this time last year.

The Bureau's announcement further stated:

"**Farm Products and Foods**—Average wholesale prices for farm products in primary markets rose 0.5% to a 22-year peak, led by further increases of 1.8% for grains and 1% for livestock. Quotations for oats were up over 5%; corn, 2%, and wheat, rye, and barley, about 1%. Calves advanced more than 3% and hogs by approximately 2% during the week. In addition higher prices were also reported for oranges, onions, and potatoes. Prices were lower for a few important agricultural commodities such as cotton, eggs, apples, lemons, and flaxseed.

"The decline in prices for eggs, together with lower prices for peanut oil and certain fresh fruits brought average prices for foods down 0.1%. Quotations were higher for oatmeal, corn meal, and flour.

"Cattle feed dropped 0.5% because of lower prices for middlings.

"**Industrial Commodities**—Except for additional advances in prices for boxboard, higher quotations for anthracite in some areas and weakening prices for rosin and turpentine, industrial commodity markets remained steady under government regulation."

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Dec. 26, 1942, and Jan. 24, 1942, and the percentage changes from a week ago, a month ago and a year ago:

(1926=100)

						Percentage changes to Jan. 23, 1943 from—		
Commodity groups	1-23 1943	1-16 1943	1-9 1943	12-26 1942	1-24 1942	1-16 1943	12-26 1942	1-24 1942
All commodities	*101.7	*101.6	*101.4	*101.2	95.5	+0.1	+0.5	+ 6.5
Farm products	117.2	116.6	116.1	115.2	100.3	+0.5	+1.7	+16.8
Foods	104.7	104.8	104.4	104.6	93.6	—0.1	+0.1	+11.9
Hides and leather products	118.4	118.4	118.4	118.4	115.7	0	0	+ 2.3
Textile products	96.8	96.7	96.7	96.6	92.7	+0.1	+0.2	+ 4.4
Fuel and lighting materials	80.1	80.1	80.0	79.9	78.9	0	+0.3	+ 1.5
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.6	0	0	+ 0.3
Building materials	110.0	110.0	110.0	110.0	109.5	0	0	+ 0.5
Chemicals and allied products	99.5	99.5	99.5	99.5	96.5	0	0	+ 3.1
Housefurnishing goods	104.1	104.1	104.1	104.1	102.7	0	0	+ 1.4
Miscellaneous commodities	90.5	90.5	90.4	90.4	88.1	0	+0.1	+ 2.7
Raw materials	108.0	107.6	107.2	106.6	95.5	+0.4	+1.3	+13.1
Semimanufactured articles	92.5	92.5	92.5	92.4	91.8	0	+0.1	+ 0.8
Manufactured products	*100.3	*100.3	*100.2	*100.1	96.3	0	+0.2	+ 4.2
All commodities other than farm products	*98.4	*98.3	*98.2	*98.2	94.5	+0.1	+0.2	+ 4.1
All commodities other than farm products and foods	*96.3	*96.3	*96.2	*96.2	94.5	0	+0.1	+ 1.9

*Preliminary.

N. Y. Reserve Bank Index Drops In December

In December the seasonally adjusted index of production and trade computed at the Federal Reserve Bank of New York declined to 122% of estimated long term trend, 2 points below the record figure for November, but 9 points above that for December, 1941, according to the Bank's advices, Jan. 26, "the decline in the index in December was largely attributable to the failure of retail trade to increase as much as in most other years from the relatively high level reached last November, when sales had been enlarged by a considerable amount of early Christmas shopping. After adjustments for seasonal variations, sales by department stores, chain store systems and mail order houses were all lower in December than in November." The Bank further says:

"Productive activity in December maintained the record level reached in the preceding month, the various components of the production index showing relatively minor changes. Although the production of war goods continued to mount, the index of output of producers' durable goods was little changed between November and December largely owing to an offsetting decline in non-residential construction and a slight reduction in steel mill operations. Electric power production, which generally reaches its yearly peak in December, showed more than the usual increase over November, but the daily rate of cotton consumption dropped a little below the high level maintained during the earlier months of the year."

INDEXES OF PRODUCTION AND TRADE

100=estimated long term trend

	1941	——1942——		
	Dec.	Oct.	*Nov.	*Dec.
Index of Production and Trade	113	122	124	122
Production	118	131	134	134
Producers' goods—total	133	168	171	170
Producers' durable goods	146	202	206	205
Producers' nondurable goods	119	128	131	129
Consumers' goods—total	101	86	88	90
Consumers' durable goods	74	37	38	38
Consumers' nondurable goods	110	103	105	107
Durable goods—total	124	154	157	156
Nondurable goods—total	114	113	115	116
Primary distribution	121	137	136	134
Distribution to consumer	98	91	93	84
Miscellaneous services	111	135	138	139

*Indexes are preliminary.

Series are adjusted individually for estimated long term trend and seasonal variation; those reported in dollars are also adjusted for price changes.

Tabulations (from 1919, monthly) of the indexes given above are available upon request. Composition and weights are shown on a separate release, "Composition of Production and Trade Indexes." See description in "Journal of the American Statistical Association," June, 1938, pp. 341-8, and September, 1941, pp. 423-5. Reprints available upon request.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 29 a summary for the week ended Jan. 23 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Jan. 23, 1943

	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	16,370
Number of Shares	442,789
Dollar Value	15,582,775
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	145
*Customers' other sales	13,869
Customers' total sales	14,014
Number of Shares:	
Customers' short sales	4,977
*Customers' other sales	363,357
Customers' total sales	368,334
Dollar Value	11,767,829
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	340
†Other sales	79,370
Total sales	79,710
Round-lot Purchases by Dealers—	
Number of Shares	149,840

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Jan. 23, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 451 mills reporting to the National Lumber Trade Barometer exceeded production by 29.8% for the week ended Jan. 23, 1943. In the same week new orders of these mills were 44.0% greater than production. Unfilled order files in the reporting mills amounted to 78% of stocks. For reporting softwood mills, unfilled orders are equivalent to 37 days' production at the current rate, and gross stocks are equivalent to 44 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 14.5%; orders by 16.7%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 13% less; shipments were 1.2% greater, and orders were 3.7% less.

1943 Red Cross Goal Set At $125,000,000

The national goal for the 1943 Red Cross War Fund Drive, which is to be brought under way on March 1, has been fixed at $125,000,000, it was announced on Jan. 11 by Norman H. Davis, National Chairman. Of the total goal, Mr. Davis said $45,000,000 is required to finance the needs of 3,750 chapters and their 6,154 branches in their work on behalf of the families of men in the service and the remainder, or $80,000,000, will go to the national organization to finance the national and international program of the Red Cross. However, Chairman Davis further explained that the national organization needs $100,000,000 and the difference will be met by a balance of $20,000,000 from the first war fund of 1942, which will be applied to the 1943 budget.

Walter S. Gifford, President of the American Telephone and Telegraph Co., will be Chairman of the 1943 Red Cross War Fund.

Living Costs Rose 9% In Year Of War

Living costs were 0.5% higher on Dec. 15 than on Nov. 15, 1942, bringing the total rise for America's first war year to 9%, Secretary of Labor Perkins reported on Jan. 29. "Since the outbreak of war in Europe, the increase has been 22.1%, as compared with almost 35% during the same period of the last war," she said. "The cost of the goods and services under OPA control rose 0.3% from mid-November to mid-December, that of services controlled by other government agencies remained unchanged, while prices of goods and services not subject to control advanced 2%." Secretary Perkins further stated:

"Food costs for city wage earners and clerical workers were about the same in December as in 1929 and were 33% above the 1935-39 average. They rose 1.2% in the month. Higher prices for fresh fruits and vegetables not controlled by OPA were chiefly responsible for the increase. Much of this rise was seasonal. Prices of foods under OPA control advanced 0.5%.

"Egg prices, which usually decline at this season, rose slightly. Local shortages were reported for most meats, but supplies of fresh fish and poultry were said to be adequate. The short supply of butter was reflected by small advances in 41 cities of the 51 included in the food-cost index."

The following table shows the percentage change from November to December and May to December for foods controlled by OPA and those not under direct OPA control.

	Percentage Increase Nov. 17 to Dec. 15	May 12 to Dec. 15
ALL FOODS	1.2	9.1
Under control by OPA on Dec. 15	0.5	6.9
Under control on May 18	0.4	1.2
Placed under control since May 18	0.8	17.5
Not under control by OPA on Dec. 15	7.0	29.8

The Labor Department's announcement also explained:

"Housefurnishings rose on the average 0.2% from mid-November to mid-December with increases reported from 4 of the 21 cities covered monthly. Furniture and sheet prices advanced in these cities. Decreases in 3 cities were due to declines in prices of rugs and electric light bulbs. Some furniture prices declined in Pittsburgh.

"Clothing costs, on the average, remained unchanged over the month in the large cities combined. Men's woolen suits and overcoats, cotton shirts, work trousers, and women's rayon underwear were selling for higher prices on the average, but in some cities this rise was matched by a decrease in prices of women's wool coats, percale dresses, and shoes.

"Miscellaneous goods and services increased 0.1% during the last month of the year. Higher rates for hospital rooms were reported in several cities, and a few reported higher charges for beauty and barber shop services. Fuel costs rose 0.1% because of advances in coal prices. Rents in all of the large cities surveyed, except New York and Scranton, are now under Federal control and rents generally remained unchanged over the month."

Finn Bonds for Redemption

Holders of 22-year 6% external loan sinking fund gold bonds due Sept. 1, 1945 of the Republic of Finland are being notified that $336,000 principal amount of these bonds have been drawn by lot for redemption on March 1, 1943 at par and accrued interest. The bonds will be redeemed at the head office of The National City Bank of New York, fiscal agent for the loan, 55 Wall Street, New York.

Revenue Freight Car Loadings During Week Ended Jan. 23, 1943 Amounted To 703,578 Cars

Loading of revenue freight for the week ended Jan. 23, 1943, totaled 703,578 cars, the Association of American Railroads announced on Jan. 28. This was a decrease below the corresponding week of 1942, of 114,503 cars or 14.0%, and a decrease below the same week in 1941 of 7,174 cars, or 1.0%.

Loading of revenue freight for the week of Jan. 23 decreased 51,791 cars or 6.9% below the preceding week.

Miscellaneous freight loading totaled 336,014 cars, a decrease of 26,754 cars below the preceding week, and a decrease of 34,588 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 84,487 cars, a decrease of 2,176 cars below the preceding week, and a decrease of 65,000 cars below the corresponding week in 1942.

Coal loading amounted to 164,027 cars, a decrease of 1,762 cars below the preceding week, but an increase of 1,257 cars above the corresponding week in 1942.

Grain and grain products loading totaled 45,220 cars, a decrease of 8,131 cars below the preceding week, and a decrease of 1.981 cars below the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Jan. 23 totaled 29,617 cars, a decrease of 7,791 cars below the preceding week, and a decrease of 1,941 cars below the corresponding week in 1942.

Live stock loading amounted to 11,466 cars, a decrease of 3,104 cars below the preceding week, and a decrease of 875 cars below the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Jan. 23 totaled 7,902 cars, a decrease of 2,731 cars below the preceding week, and a decrease of 1,288 cars below the corresponding week in 1942.

Forest products loading totaled 33,669 cars, a decrease of 8,880 cars below the preceding week and a decrease of 13,696 cars below the corresponding week in 1942.

Ore loading amounted to 13,559 cars, a decrease of 806 cars below the preceding week and a decrease of 544 cars below the corresponding week in 1942.

Coke loading amounted to 15,136 cars, a decrease of 178 cars below the preceding week, but an increase of 924 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern, Allegheny and Northwestern.

	1943	1942	1941
Week of Jan. 2	621,048	676,534	614,171
Week of Jan. 9	716,272	736,972	711,635
Week of Jan. 16	755,369	811,327	703,497
Week of Jan. 23	703,578	818,081	710,752
Total	2,796,267	3,042,914	2,740,055

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 23, 1943. During this period only 29 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JAN. 23

Railroads	Total Revenue Freight Loaded 1943	1942	1941	Total Loads Received from Connections 1943	1942
Eastern District—					
Ann Arbor	227	608	551	1,122	1,600
Bangor & Aroostock	1,668	2,062	1,873	195	268
Boston & Maine	5,529	8,551	7,446	14,022	14,087
Chicago, Indianapolis & Louisville	1,290	1,539	1,464	1,948	2,507
Central Indiana	32	19	14	62	75
Central Vermont	951	1,364	1,235	2,113	2,450
Delaware & Hudson	5,916	6,642	6,881	11,838	11,334
Delaware, Lackawanna & Western	6,691	9,517	9,562	11,611	9,368
Detroit & Mackinac	213	314	238	88	188
Detroit, Toledo & Ironton	1,528	2,525	2,903	1,459	1,627
Detroit & Toledo Shore Line	278	379	369	2,888	4,539
Erie	11,328	14,838	13,279	16,731	16,406
Grand Trunk Western	2,989	5,562	5,374	8,499	9,888
Lehigh & Hudson River	139	196	121	2,447	3,131
Lehigh & New England	1,735	1,846	1,622	1,568	1,646
Lehigh Valley	7,135	9,764	9,867	10,321	9,584
Maine Central	2,165	3,394	3,117	3,054	3,554
Monongahela	6,087	6,005	4,698	350	386
Montour	2,511	1,806	1,950	33	25
New York Central Lines	42,242	49,078	43,633	52,817	51,998
N. Y., N. H. & Hartford	8,749	12,648	10,689	16,387	17,000
New York, Ontario & Western	906	1,126	1,030	2,221	2,574
New York, Chicago & St. Louis	6,676	6,476	5,186	14,733	15,400
N. Y., Susquehanna & Western	416	523	364	2,698	1,493
Pittsburgh & Lake Erie	7,328	8,302	7,267	8,421	7,427
Pere Marquette	3,824	5,767	6,115	7,226	7,228
Pittsburg & Shawmut	628	600	521	21	49
Pittsburg, Shawmut & North	309	415	432	235	357
Pittsburgh & West Virginia	852	874	727	3,518	2,367
Rutland	273	552	569	818	1,178
Wabash	5,465	6,130	5,821	11,377	12,240
Wheeling & Lake Erie	4,655	4,780	4,037	5,893	4,305
Total	140,735	174,202	158,955	216,714	216,279
Allegheny District—					
Akron, Canton & Youngstown	735	601	579	1,091	1,108
Baltimore & Ohio	35,691	39,446	33,396	26,179	23,431
Bessemer & Lake Erie	2,893	3,191	2,964	1,748	1,290
Buffalo Creek & Gauley	323	320	300	3	4
Cambria & Indiana	1,682	1,866	1,886	7	10
Central R. R. of New Jersey	5,664	8,332	7,062	20,117	16,577
Cornwall	570	701	668	52	64
Cumberland & Pennsylvania	255	317	314	20	19
Ligonier Valley	112	129	160	44	58
Long Island	891	811	709	3,158	2,641
Penn-Reading Seashore Lines	1,305	1,888	1,292	2,450	1,884
Pennsylvania System	68,400	79,984	68,858	58,347	56,358
Reading Co.	13,669	16,597	16,380	27,803	25,035
Union (Pittsburgh)	20,046	19,902	19,282	4,499	3,928
Western Maryland	3,711	4,021	3,565	13,732	10,063
Total	155,947	178,106	157,415	159,250	142,470
Pocahontas District—					
Chesapeake & Ohio	26,119	25,447	22,260	10,863	10,856
Norfolk & Western	21,582	21,078	20,316	7,815	6,773
Virginian	4,694	4,436	5,271	2,484	2,029
Total	52,395	50,961	47,847	21,162	19,658
Southern District—					
Alabama, Tennessee & Northern	374	398	305	290	323
Atl. & W. P.—W. R. R. of Ala.	711	818	762	2,954	2,109
Atlanta, Birmingham & Coast	599	862	735	1,145	1,219
Atlantic Coast Line	14,807	13,088	11,126	11,568	7,850
Central of Georgia	3,460	4,538	4,097	4,397	4,120
Charleston & Western Carolina	371	421	426	1,643	1,847
Clinchfield	1,778	1,631	1,610	2,966	2,916
Columbus & Greenville	316	311	287	210	351
Durham & Southern	94	184	172	449	509
Florida East Coast	2,769	1,255	928	1,502	1,196
Gainesville Midland	41	41	29	99	77
Georgia	1,206	1,543	1,177	3,464	2,672
Georgia & Florida	369	494	339	497	922
Gulf, Mobile & Ohio	3,560	4,265	3,538	5,062	3,833
Illinois Central System	26,030	30,413	22,654	17,204	15,769
Louisville & Nashville	24,794	25,495	23,773	10,765	8,829
Macon, Dublin & Savannah	213	207	133	863	867
Mississippi Central	179	154	120	438	444
Nashville, Chattanooga & St. L.	3,175	3,334	3,046	4,410	3,802
Norfolk Southern	1,144	1,238	1,607	1,581	1,366
Piedmont Northern	335	449	395	1,076	1,540
Richmond, Fred. & Potomac	365	502	347	11,259	8,074
Seaboard Air Line	10,654	11,219	10,149	9,507	7,306
Southern System	21,468	25,447	23,041	22,997	21,792
Tennessee Central	486	619	474	933	859
Winston-Salem Southbound	89	135	134	835	797
Total	119,387	129,061	110,864	118,114	101,389
Northwestern District—					
Chicago & North Western	12,373	18,157	14,895	11,666	14,995
Chicago Great Western	1,855	2,975	2,422	2,486	3,683
Chicago, Milw., St. P. & Pac.	15,970	23,775	20,284	9,291	10,536
Chicago, St. Paul, Minn. & Omaha	3,235	4,754	3,928	2,759	4,549
Duluth, Missabe & Iron Range	1,087	1,265	956	256	394
Duluth, South Shore & Atlantic	568	736	624	386	621
Elgin, Joliet & Eastern	8,066	10,456	9,475	9,685	11,131
Ft. Dodge, Des Moines & South	300	512	407	85	152
Great Northern	8,431	12,698	9,445	4,236	4,253
Green Bay & Western	425	550	540	695	838
Lake Superior & Ishpeming	207	266	234	37	65
Minneapolis & St. Louis	1,490	2,444	1,531	1,691	2,760
Minn., St. Paul & S. S. M.	4,197	6,148	4,913	2,764	2,657
Northern Pacific	7,437	11,140	9,602	3,561	4,616
Spokane International	63	83	113	382	332
Spokane, Portland & Seattle	1,265	2,302	1,658	2,784	2,523
Total	66,969	98,261	81,027	52,764	64,105
Central Western District—					
Atch., Top. & Santa Fe System	19,216	23,048	18,332	10,872	9,129
Alton	3,095	3,687	3,067	4,010	3,880
Bingham & Garfield	472	434	457	105	122
Chicago, Burlington & Quincy	15,898	18,578	15,376	9,608	12,164
Chicago & Illinois Midland	2,920	3,110	2,635	822	938
Chicago, Rock Island & Pacific	10,319	13,289	10,825	12,184	12,736
Chicago & Eastern Illinois	2,184	2,968	2,796	4,997	3,412
Colorado & Southern	668	841	774	1,784	1,610
Denver & Rio Grande Western	3,632	3,574	2,927	4,347	4,115
Denver & Salt Lake	787	834	807	5	16
Fort Worth & Denver City	978	1,178	857	1,204	1,142
Illinois Terminal	1,555	2,041	1,680	1,613	1,689
Missouri-Illinois	817	1,118	824	518	400
Nevada Northern	1,914	1,934	1,751	106	145
North Western Pacific	731	1,066	513	443	505
Peoria & Pekin Union	17	20	16	0	0
Southern Pacific (Pacific)	22,042	27,346	22,061	10,638	9,094
Toledo, Peoria & Western	369	214	375	1,447	310
Union Pacific System	12,741	16,273	13,839	12,612	11,904
Utah	591	735	506	2	7
Western Pacific	1,784	2,120	1,415	2,544	3,016
Total	102,730	124,408	101,833	79,861	76,334
Southwestern District—					
Burlington-Rock Island	862	182	155	213	252
Gulf Coast Lines	6,121	4,670	3,222	2,521	2,587
International-Great Northern	3,311	2,303	1,908	3,495	2,764
Kansas, Oklahoma & Gulf	373	338	156	892	1,044
Kansas City Southern	4,768	3,621	2,407	2,422	2,727
Louisiana & Arkansas	3,480	2,325	2,391	2,104	2,078
Litchfield & Madison	219	439	402	967	1,069
Midland Valley	571	603	690	225	387
Missouri & Arkansas	116	203	111	379	406
Missouri-Kansas-Texas Lines	5,072	4,802	4,039	5,835	4,595
Missouri Pacific	14,550	17,910	15,249	16,972	13,684
Quanah Acme & Pacific	71	137	101	211	190
St. Louis-San Francisco	7,838	9,597	7,915	7,378	6,147
St. Louis Southwestern	3,123	3,507	2,655	5,936	4,181
Texas & New Orleans	*11,125	8,129	7,240	*4,826	5,100
Texas & Pacific	3,701	4,158	4,030	6,815	6,797
Wichita Falls & Southern	94	109	133	38	40
Weatherford M. W. & N. W.	20	49	7	20	44
Total	65,415	63,082	52,811	61,249	54,092

*Previous week's figures.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
1942—Week Ended—					
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,355	301,088	83	85
Nov. 21	146,335	133,188	310,439	83	85
Nov. 28	136,655	124,461	321,885	77	85
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Quits British Relief To Direct Nat'l Fund

Winthrop W. Aldrich, Chairman of the Board of the Chase National Bank of New York, announced on Jan. 14 his resignation from the Presidency of the British War Relief Society, Inc., to become organizing chairman of the newly-established National War Fund, Inc. Clark H. Minor, President of the International General Electric Co., has been elected President of the British War Relief Society, succeeding Mr. Aldrich. Mr. Minor has been a member of the Society's board of directors since its merger with the Allied Relief Fund in December, 1940.

Under a plan proposed by the War Relief Control Board and approved by President Roosevelt, the National War Fund will combine into one united campaign next October the money-raising activities of 600 community chests and major war relief agencies. The only other national appeal for funds in connection with war relief will be made by the American Red Cross, which will seek $125,000,000 in March.

Mr. Minor said that the British War Relief Society, the largest American agency engaged exclusively in foreign relief, since its establishment in 1939 has raised $17,000,000 in cash and more than $7,000,000 in donated relief goods for war sufferers in Britain, Australia and New Zealand, as well as for aid to British seamen in ports of the United States and Canada.

Frank L. Polk, of the law firm of Davis, Polk, Wardwell, Gardiner & Reed, who has been a director of the Society, has been elected a Vice-President. Mr. Polk was Under Secretary of State and Acting Secretary of State in the Wilson administration.

US, Britain To Wave Ship Damage Claims

The State Department in Washington announced on Jan. 7 that a marine agreement designed to eliminate the loss of precious time and tonnage through damage claims and litigation has been signed by the United States and Great Britain. In general, the agreement does away with claims by either Government against the other arising out of ship collisions, damage to cargo or salvage services.

In Associated Press Washington advices of Jan. 7 it was further stated:

"In the future, if a collision occurs between a Government-owned American ship and a Government-owned British ship—whether warship or merchantman—no legal proceedings will be taken to determine the degree of blame and no claims for damages will be made by either side. Repairs will be undertaken at once, "without thought of anything but getting the damaged ship back into service in the war effort at the earliest possible moment."

Salvage services performed by either government to the ships or cargo owned or insured by the other henceforth will be on lend-lease terms, each government paying its own nationals.

"The sole object of salvage services," says a commentary accompanying the text of the agreement issued here, "will be to bring the ship or cargo salvaged back into service as rapidly as possible without regard to any financial considerations." It is pointed out that the provisions of the agreement regarding waiver of claims apply only to claims of one government against the other, not to claims between either government and private interests.

Engineering Construction Volume $41,855,000 For Week

Engineering construction volume for the week totals $41,855,000, a decrease of 38% from the preceding week, and 81% below the corresponding 1942 week as reported by "Engineering News-Record" on Jan. 28. Private construction tops last week by 15%, but is 77% lower than last year. Public work is 41 and 82% lower, respectively, than a week ago and a year ago, as both State and municipal work and Federal construction declined. The report continued as follows:

The current week's total brings 1943 construction to $226,826,000, an average of $56,707,000 for each of the four weeks. On the weekly average basis, the 1943 volume is 55% below that for the five-week period last year. Private work is 62% lower, and public is down 54%, when adjusted for the difference in the number of weeks reported.

Construction volumes for the 1942 week, last week, and the current week are:

	Jan. 29, 1942	Jan. 21, 1943	Jan. 28, 1943
Total Construction	$221,694,000	$67,930,000	$41,855,000
Private Construction	17,156,000	3,497,000	4,018,000
Public Construction	204,538,000	64,433,000	37.837,000
State and Municipal	17,307,000	3,426,000	1,349,000
Federal	187,231,000	61,007,000	36,488,000

In the classified construction groups, gains over last week are in waterworks, industrial buildings, and earthwork and drainage. All classes of work decline from their respective totals of a year ago. Subtotals for the week in each class of construction are: waterworks, $818,000; sewerage, $284,000; bridges, $25,000; industrial buildings, $2,008,000; commercial building and large-scale private housing, $1,965,000; public buildings, $25,968,000; earthwork and drainage, $386,000; streets and roads, $2,247,000; and unclassified construction, $8,154,000.

New capital for construction purposes for the week totals $1,432,000, entirely State and municipal bond sales. New financing for the year to date amounts to $4,498,000 for the four-week period, a volume that compares with $559,914,000 reported for the opening five weeks of 1942.

Gross And Net Earnings of United States Railroads For The Month of November

Gross and net earnings of the railroads of the United States have been establishing new high monthly records each month for some time. The November figures which we present are an exception and somewhat lower than the earnings figures for the month of October. This small decline may be due in part to the fact that November contained five Sundays and three major holidays while October had only four Sundays and one holiday. The figures for November are at a near record level and again reveal the efficiency of the managers as the ratio of expenses to earnings is only 58.89% which compares with 55.85% in October and with 73.42% in November, 1941.

Gross earnings of the railroads of the United States in November, 1942, were $690,108,064 against $457,016,549 in November, 1941, a gain of $233,091,515, or 51.00%. Net earnings in November, 1942, were $283,691,654 as against $121,459,164 in November, 1941, an increase of $162,232,490, or 133.57%. We now give in tabular form the results for the month of November, 1942, as compared with November, 1941:

Month of November—	1942	1941	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	230,175	231,954	— 1,779	—00.77
Gross earnings	$690,108,064	$457,016,549	+$233,091,515	+51.00
Operating expenses	406,416,410	335,557,385	+ 70,859,025	+21.12
Ratio of expenses to earnings	(58.89%)	(73.42%)		
Net earnings	$283,691,654	$121,459,164	+$162,232,490	+133.57

In order to determine the underlying factors for the 51.00% increase in railroad earnings for the month of November last over the corresponding period of the previous year, we turn now to the general activity of business and industry which is responsible for this gain in earnings. We have assembled in the subjoined table the figures representative of the movement in the more important industries, together with statistics relating to grain and livestock receipts and revenue freight car loadings for the month of November as compared with the same period in the years 1941, 1940, 1932 and 1929:

November—	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	654,184	458,620	380,347	105,302	391,013
Coal (net tons):					
‡Bituminous	47,350,000	44,426,000	40,012,000	30,632,000	46,514,000
§Pennsylvania anthracite	4,795,000	3,974,000	3,980,000	4,271,000	5,820,000
Freight Traffic:					
¶Carloadings, all (cars)	x3,236,051	x3,423,038	x2,985,626	z2,737,025	z4,891,835
††Livestock receipts:					
Chicago (cars)	8,227	7,128	8,139	12,776	19,105
Kansas City (cars)	4,319	2,544	2,977	4,503	8,034
Omaha (cars)	3,850	2,593	2,619	3,485	6,168
‡‡Western flour and grain receipts:					
Flour (000 barrels)	x1,725	x1,634	x1,666	x1,502	x1,818
Wheat (000 bushels)	x30,754	x18,348	x9,274	x16,692	x18,499
Corn (000 bushels)	x28,339	x23,834	x17,982	x11,395	x17,401
Oats (000 bushels)	x5,440	x7,164	x3,743	x2,797	x6,381
Barley (000 bushels)	x10,013	x13,553	x7,272	x3,150	x3,027
Rye (000 bushels)	x2,070	x2,213	x1,136	x403	x1,498
Iron and Steel (net tons):					
§§Steel ingot production	7,184,560	6,960,885	6,469,107	1,171,710	4,002,365
Lumber (000 ft.):					
¶¶Production	*	x928,564	x911,151	z529,618	x1,382,103
¶¶Shipments	*	x916,713	x1,025,474	z618,771	x1,157,509
¶¶Orders received	*	x861,110	x1,000,119	z591,323	x1,072,634

*Not available.

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

The figures in the above tabulation clarify to some extent the direct bearing on the revenues of the railroads for the period under review. Total valuation of construction contracts awarded in the 37 Eastern States was $654,184,000, a decrease of $126,212,000 under October, 1942, but $195,564,000, or 42.64% above November, 1941. Pennsylvania anthracite and bituminous coal production increased 20.66% and 6.58%, respectively, to aggregates of 4,795,000 net tons and 47,350,000 net tons. Flour and grain receipts were moderately active in comparison with the same period of last year. Oats, barley and rye showed declines below their corresponding 1941 figures. Production of 7,184,560 net tons of steel ingots and castings during November represented the maximum production ever achieved in a 30-day month. Although the November tonnage was below the October peak of 7,584,864 tons, it was 233,675 net tons or 3.21% greater than that produced in 1941. The lumber movement for the four weeks ended November 28, 1942, experienced slight gains as evidenced by lumber shipments which were 5% greater than the average for the period in the preceding three years (1939-1941). Lumber shipments in the month under review were 5% and orders were 6% over output. These activities, however, resulted in a decrease in freight car loadings of 186,987 cars or 5.5%, which latter figure cannot be taken as a true comparison since the number of tons transported and distance of hauls were much greater this year.

Sorting out the railroads with major changes in comparison with 1941 from those that showed only minor fluctuations, we find 91 roads reported increases in gross and 77 recorded increases in net, while only one road in gross and five roads in the net category indicated decreases. The Pennsylvania, in uniformity with previous months, again led the gross column with a gain of $21,096,537, while the Southern Pacific finished first in net with an increase of $15,133,685, but was second in the gross classification. The Pennsylvania was next to Southern Pacific in net earnings with an increase of $12,803,358. The Union Pacific was third in the gross listing with $16,486,602 over 1941. The Atchison Topeka & Santa Fe which was fifth in the gross arose to third in net, showing a gain of $11,001,156 in the latter category. Other roads showing substantial increases included the New York Central, Baltimore & Ohio, Missouri Pacific and Southern Ry. Exceptionally good results were recorded by the Great Northern and Chicago Burlington & Quincy, both being able to translate an amazingly high percentage of their gross increases into net. The Virginian was the only road which showed a decline in the gross column, while the Canadian National Lines in New England headed those roads showing decreases in net category.

We now present our customary tabulation giving the major changes of $100,000 or more in both gross and net, whether they be increases or decreases, for the separate roads and systems:

PRINCIPAL CHANGES IN **GROSS** EARNINGS FOR THE MONTH OF NOVEMBER

	Increase		Increase
Pennsylvania	$21,096,537	Delaware & Hudson	$937,360
Southern Pacific (2 roads)	20,355,395	Alabama Great Southern	917,874
Union Pacific	16,486,602	Spokane Portland & Seattle	904,908
New York Central	*14,887,537	Colorado & Southern (2 roads)	887,890
Atchison Topeka & Santa Fe	14,416,693	Long Island	848,244
Baltimore & Ohio	8,552,354	New Orleans & Northeastern	691,039
Missouri Pacific	7,605,315	Pere Marquette	664,512
Southern	7,226,781	Louisiana & Arkansas	654,515
Chicago Burlington & Quincy	6,468,463	Chicago & East Illinois	572,676
Atlantic Coast Line	6,322,748	Western Maryland	502,408
Chicago Rock Island & Pacific	5,418,461	Chicago Great Western	430,245
Louisville & Nashville	5,323,654	Chic. St. P. Minn. & Omaha	427,775
Seaboard Air Line	5,162,141	Minn. St. P. & S. S. M.	395,138
Great Northern	5,118,935	Pittsburgh & Lake Erie	361,765
Chicago Milw. St. P. & Pac.	5,003,738	Elgin Joliet & Eastern	349,803
New York New Haven & Hart.	4,977,251	Minneapolis & St. Louis	340,167
Illinois Central	4,856,711	Georgia	275,396
Northern Pacific	4,053,319	Norfolk Southern	274,033
Missouri-Kansas-Texas	3,647,406	Duluth Missabe & Iron Range	261,662
St. Louis-San Fran. (2 roads)	3,516,656	Georgia Southern & Florida	256,849
Chicago & North Western	3,207,715	Maine Central	247,553
Wabash	2,875,696	Canadian Pacific Lines in Me.	244,931
Chesapeake & Ohio	2,833,040	Northwestern Pacific	235,234
Lehigh Valley	2,627,484	Wheeling & Lake Erie	217,296
Denver & Rio Grande Western	2,610,509	Bessemer & Lake Erie	210,425
New York Chicago & St. Louis	2,513,159	Atlanta Birmingham & Coast	202,964
Texas & Pacific	2,462,977	Penn. Reading Seashore Lines	201,917
Erie	2,368,757	Western Ry. of Alabama	197,433
Reading	2,314,221	Bangor & Aroostook	191,669
Boston & Maine	1,875,100	Illinois Terminal	171,500
Nashville Chattanooga & St. L.	1,764,333	Atlanta & West Point	167,539
St. Louis Southwestern	1,751,227	Clinchfield	149,141
Norfolk & Western	1,732,001	Grand Trunk Western	144,567
Richmond Fred & Potomac	1,580,018	Gulf & Ship Island	132,985
Western Pacific	1,553,344	Kansas Oklahoma & Gulf	124,281
Alton	1,541,553	Staten Island Rapid Transit	116,662
Central Ry. of New Jersey	1,440,460	Spokane International	116,029
Kansas City Southern	1,436,106	Tennessee Central	114,290
Yazoo & Mississippi Valley	1,272,710	New York Ontario & West.	112,262
Florida East Coast	1,165,500	Oklahoma City-Ada-Atoka	112,246
Gulf Mobile & Ohio	1,123,070		
Delaware Lackawanna & West.	1,100,907	Total (91 roads)	$232,155,113
Central of Georgia	1,092,498		
Cincinnati New Orl.& Tex. Pac.	1,076,802		
New Orl. Tex & Mex. (3 roads)	992,519		Decrease
International Great Northern	981,527	Virginian	$201,106

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $15,249,302.

11 Months Ended November 28

(000 omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	10,607	19,309	90,564	18,274	3,744	14,207
	1941	9,256	20,037	88,871	19,314	4,682	12,607
Minneapolis	1942	----	121,798	16,671	42,992	12,670	51,776
	1941	86	133,807	14,312	28,154	17,986	48,643
Duluth	1942	----	52,863	12,382	2,029	2,338	6,200
	1941	21	63,717	19,313	2,486	4,905	10,842
Milwaukee	1942	747	1,622	9,154	582	1,613	29,186
	1941	869	4,133	9,851	794	1,541	24,777
Toledo	1942	283	12,794	5,903	4,128	1,331	302
	1941	----	13,950	2,823	5,325	36	93
Indianapolis & Omaha	1942	----	22,372	44,384	11,551	397	76
	1941	25	26,071	33,827	7,821	441	117
St. Louis	1942	6,114	19,083	24,118	3,602	1,086	2,412
	1941	6,159	15,871	12,407	2,915	365	2,038
Peoria	1942	2,049	4,112	40,800	2,230	635	3,572
	1941	1,883	3,943	31,286	2,408	947	3,553
Kansas City	1942	792	61,828	29,231	4,656	6	----
	1941	1,209	78,743	7,161	2,510	----	----
St. Joseph	1942	----	6,233	4,789	2,855	4	6
	1941	----	4,624	2,125	2,274	----	----
Wichita	1942	----	18,109	24	2	----	----
	1941	----	22,000	----	----	2	7
Sioux City	1942	----	3,574	5,475	1,831	442	2,799
	1941	----	2,964	3,288	900	338	1,935
Detroit	1942	----	157	125	----	15	7
	1941	----	----	----	----	----	----
Total all	1942	20,592	343,854	283,620	94,732	24,281	110,543
	1941	19,508	389,860	225,264	74,901	31,243	104,612

In the table which follows we furnish our usual summary of the November comparisons of the gross and net earnings of the 132 reporting railroads of the current year back to and including 1909.

Month of November	Gross Earnings: Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage: Year Given	Year Preced'g
1909	$242,115,779	$207,816,169	+$34,299,610	+16.50	226,204	222,966
1910	246,650,774	245,651,263	+ 999,511	+ 0.41	237,596	233,340
1911	241,343,763	243,111,388	— 1,767,625	— 0.73	234,209	231,563
1912	276,430,016	244,461,845	+ 31,968,171	+13.07	237,376	233,305
1913	269,220,882	278,364,475	— 9,143,593	— 3.28	243,745	241,452
1914	240,235,841	272,882,181	— 32,646,340	—11.96	246,497	242,849
1915	306,733,317	240,422,695	+ 66,310,622	+27.58	246,910	245,858
1916	330,258,745	306,606,471	+ 23,652,274	+ 7.71	248,863	248,058
1917	360,062,052	326,757,147	+ 33,304,905	+10.19	242,407	241,621
1918	438,602,283	356,438,875	+ 82,163,408	+23.05	232,274	232,259
1919	436,436,551	439,029,989	— 2,593,438	— 0.59	233,032	232,911
1920	592,277,620	438,038,048	+154,239,572	+35.21	235,213	233,839
1921	464,440,498	590,468,164	—126,027,666	—21.34	236,043	234,972
1922	523,748,483	466,130,328	+ 57,618,155	+12.36	234,748	235,679
1923	530,106,708	522,458,208	+ 7,648,500	+ 1.46	253,589	253,793
1924	504,589,062	530,724,567	— 26,135,505	— 4.92	236,309	236,122
1925	531,742,071	504,781,775	+ 26,960,296	+ 5.34	236,726	235,917
1926	559,935,895	531,199,465	+ 28,736,430	+ 5.41	237,335	236,369
1927	502,994,051	561,153,956	— 58,159,905	—10.36	238,711	238,142
1928	530,909,223	503,940,776	+ 26,968,447	+ 5.35	241,138	239,582
1929	498,316,925	531,122,999	— 32,806,074	— 6.18	241,695	241,326
1930	398,211,453	498,882,517	—100,671,064	—20.18	242,616	242,625
1931	304,896,868	398,272,517	— 93,375,649	—23.45	242,734	242,636
1932	253,223,409	304,829,968	— 51,606,559	—16.93	241,971	242,027
1933	260,503,983	253,225,641	+ 7,278,342	+ 2.87	242,708	244,143
1934	256,629,163	257,376,376	— 747,213	— 0.29	238,826	240,836
1935	300,916,282	256,637,723	+ 44,278,559	+17.25	237,306	238,668
1936	357,966,993	300,927,116	+ 57,039,877	+18.95	236,428	237,485
1937	317,550,416	357,792,100	— 40,241,684	—11.25	235,104	235,624
1938	319,094,405	317,550,416	+ 1,543,989	+ 0.49	234,166	235,098
1939	367,571,031	319,041,859	+ 48,529,172	+15.21	233,325	234,095
1940	374,628,835	367,571,031	+ 7,057,804	+ 1.92	232,629	[illegible]
1941	457,016,549	374,763,846	+ 82,252,703	+21.95	232,078	232,660
1942	690,108,064	457,016,549	+233,091,515	+51.00	230,175	231,954

Month of November	Net Earnings: Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$92,016,358	$73,266,874	+$18,749,484	+25.59
1910	83,290,035	93,778,921	— 10,488,886	—11.18
1911	79,050,299	82,069,166	— 3,018,867	— 3.63
1912	93,017,842	80,316,771	— 12,701,071	+15.81
1913	78,212,966	93,282,860	— 15,069,894	—16.15
1914	67,989,515	77,567,898	— 9,578,383	—12,35
1915	118,002,025	67,999,131	+ 50,002,894	+73.53
1916	118,373,536	118,050,446	+ 323,090	+ 0.27
1917	96,272,216	117,102,625	— 20,830,409	—17.79
1918	75,882,188	95,809,962	— 19,927,774	—20.80
1919	48,130,467	74,979,347	— 26,848,880	—35.81
1920	85,778,171	48,244,641	+ 37,533,530	+77.80
1921	97,366,264	78,431,412	+ 18,934,852	+24.14
1922	113,662,987	97,816,937	+ 15,846,050	+16.20
1923	124,931,318	117,623,537	+ 7,307,781	+ 6.21
1924	131,435,105	125,084,714	+ 6,350,391	+ 5.03
1925	148,157,616	131,381,847	+ 16,775,769	+12.77
1926	158,197,446	148,132,228	+ 10,065,218	+ 6.79
1927	125,957,014	158,501,561	— 32,544,547	—20.53
1928	157,140,516	127,243,825	+ 29,896,691	+23.49
1929	127,163,307	157,192,289	— 30,028,982	—19.10
1930	99,526,934	127,125,694	— 27,596,760	—21.71
1931	66,850,734	99,557,310	— 32,706,576	—32.85
1932	63,966,101	66,854,615	— 2,888,514	— 4.32
1933	66,866,614	63,962,092	+ 2,904,522	+ 4.54
1934	59,167,473	65,899,592	— 6,732,119	—10.22
1935	82,747,438	60,061,636	+ 22,685,802	+37.77
1936	110,226,942	82,690,190	+ 27,536,752	+33.30
1937	68,915,594	110,214,702	+ 41,299,108	+37.47
1938	88,374,131	68,915,594	+ 19,458,537	+28.23
1939	111,985,638	88,374,743	+ 23,610,895	+26.71
1940	115,868,592	111,985,513	+ 3,883,079	+ 3.47
1941	121,465,161	115,940,536	+ 5,524,625	+ 4.77
1942	283,691,654	121,459,164	+162,232,490	+133.57

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF NOVEMBER

	Increase		Increase
Southern Pacific (2 roads)	$15,133,685	International Great Northern	$752 756
Pennsylvania	12,803,582	Colorado & Southern (2 roads)	713,808
Atchison Topeka & Santa Fe	11,001,156	Alabama Great Southern	674,595
Union Pacific	9,717,852	Yazoo & Mississippi Valley	665,139
New York Central	*9,141,361	New Orl. Tex. & Mex. (3 roads)	634,448
Baltimore & Ohio	5,825,710	Gulf Mobile & Ohio	555,272
Missouri Pacific	5,483,741	Delaware & Hudson	525,463
Chicago Burlington & Quincy	5,375,937	Chicago & Eastern Illinois	483,087
Great Northern	5,195,440	New Orleans & Northeastern	471,740
Southern	5,011,520	Pittsburgh & Lake Erie	409,230
Atlantic Coast Line	4,974,580	Grand Trunk Western	381,870
Chicago Rock Island & Pacific	4,344,394	Western Maryland	377,046
Chicago Milw. St. P. & Pac.	4,039,354	Pere Marquette	302,473
Louisville & Nashville	3,972,850	Maine Central	297,692
New York, New Haven & Hart.	3,619,812	Minneapolis St. P. & S. S. M.	290,476
Northern Pacific	2,982,104	Minneapolis & St. Louis	265,395
Illinois Central	2,958,184	Chicago St. P. Minn. & Omaha	260,875
Seaboard Air Line	2,750,893	Northwestern Pacific	237,899
Chicago & North Western	2,654,293	Illinois Terminal	220,409
Missouri-Kansas-Texas	2,482,745	Canadian Pacific Lines In Me.	213,634
Denver & Rio Grande Western	2,348,667	Georgia	199,596
St. Louis-San Fran. (2 roads)	2,046,926	Chicago Great Western	198,383
Erie	1,959,957	Clinchfield	191,106
Wabash	1,925,123	Western Pacific	181,343
Chesapeake & Ohio	1,901,600	Norfolk Southern	180,181
Lehigh Valley	1,798,187	Bangor & Aroostook	159,019
New York Chicago & St. Louis	1,774,071	Western Ry. of Alabama	151,141
Reading	1,734,791	Penn. Reading Seashore Lines	135,730
St. Louis Southwestern	1,729,411	Atlanta & West Point	121,301
Texas & Pacific	1,682,198	Elgin Joliet & Eastern	119,094
Boston & Maine	1,348,208	Staten Island Rapid Transit	111,917
Nashville Chattanooga & St. L.	1,280,650		
Alton	1,240,167	Total (77 roads)	$160,545,320
Richmond Fred. & Potomac	1,228,076		
Central RR. of New Jersey	1,090,599		Decrease
Central of Georgia	1,012,673	Canad. Nat'l Lines In New Eng.	$374,096
Cincinnati N. Orl. & Tex. Pac.	957,496	Wheeling & Lake Erie	264,737
Norfolk & Western	954,985	Virginian	198,050
Delaware Lackawanna & West.	948,085	Louisiana & Arkansas	178,728
Florida East Coast	815,053	Long Island	172,045
Spokane Portland & Seattle	810,077		
		Total	$1,187,656

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $9,550,591.

As for the grouping of the railroads into districts and regions we find that all geographical subdivisions contributed heavily to the respective 51.00% and 133.57% increases in gross and net. Considering the showings of the various districts, we find that the Western District headed both gross and net listings with gains of 65.84% and 194.08% respectively. The Southern and Eastern Districts were second and third with increases in gross of 52.33% and 37.37% and with improvements of 103.87% and 98.76% in net.

Analyzing the figures compiled by small subdivisions, the regions, we note the Southwestern region recorded the greatest percentage gain in gross with an increase of 80.60%, while the Central Western region ran a close second with a gain of 75.70% over November, 1941. In the net classification, however, this procedure was reversed with the Central Western indicating the greatest gain, one of 232.64%, while the Southwestern took second place with an improvement of 199.06%. Others showed increases in both gross and net ranging from 21.86% to 155.14%.

Without further comment, we now refer to our summary tabulation which immediately follows. Our grouping coincides with the classification set down by the Interstate Commerce Commission. The territories covered by the various subdivisions, districts and regions, are explained in the footnote attached to the following table:

SUMMARY BY GROUPS—MONTH OF NOVEMBER

District and Region	Gross Earnings: 1942 $	1941 $	Inc. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	24,591,042	16,982,820	+ 7,608,222	+44.80
Great Lakes region (23 roads)	110,078,952	81,113,252	+ 28,965,700	+35.71
Central Eastern region (18 roads)	135,384,734	98,491,976	+ 36,892,758	+37.46
Total (51 roads)	270,054,728	196,588,048	+ 73,466,680	+37.37
Southern District—				
Southern region (26 roads)	100,362,912	60,448,143	+ 39,914,769	+66.03
Pocahontas region (4 roads)	33,129,959	27,186,006	+ 5,943,953	+21.86
Total (30 roads)	133,492,871	87,634,149	+ 45,858,722	+52.33
Western District—				
Northwestern region (15 roads)	71,642,570	51,461,024	+ 20,181,546	+39.22
Central Western region (16 roads)	150,993,016	85,936,879	+ 65,056,137	+75.70
Southwestern region (20 roads)	63,924,879	35,396,449	+ 28,528,430	+80.60
Total (51 roads)	286,560,465	172,794,352	+113,766,113	+65.84
Total all districts (132 roads)	690,108,064	457,016,549	+233,091,515	+51.00

District and Region	Mileage 1942	Mileage 1941	Net Earnings: 1942 $	1941 $	Incr. (+) or Dec. (—) $	%
Eastern District—						
New England region	6,621	6,689	9,415,752	4,079,129	+ 5,336,623	+130.83
Great Lakes region	25,981	26,007	39,939,243	20,471,353	+ 19,467,890	+ 95.10
Central East. region	24,179	24,387	47,393,553	24,125,688	+ 23,267,865	+ 96.44
Total	56,781	57,083	96,748,548	48,676,170	+ 48,072,378	+ 98.76
Southern District—						
Southern region	37,542	37,904	44,920,422	17,606,509	+ 27,313,913	+155.14
Pocahontas region	6,038	6,081	16,318,417	12,431,806	+ 3,886,611	+ 31.26
Total	43,580	43,985	61,238,839	30,038,315	+ 31,200,524	+103.87
Western District—						
Northwestern region	45,508	45,631	29,467,279	12,846,878	+ 16,620,401	+129.37
Central West. region	55,469	56,205	67,603,788	20,323,617	+ 47,280,171	+232.64
Southwestern region	28,837	29,050	28,633,200	9,574,184	+ 19,059,016	+199.06
Total	129,814	130,886	125,704,267	42,744,679	+ 82,959,588	+194.08
Total all districts	230,175	231,954	283,691,654	121,459,164	+162,232,490	+133.57

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

In reference to the grain movement over Western roads, we find that this was on a reduced scale with respect to certain principal grains,—oats, rye and barley—but considerably heavier as regards wheat and corn. Taking them individually, we notice that wheat almost doubled its 1941 figure by presenting a gain of 12,406,000 bushels and corn increased from 23,834,000 bushels to 28,339,000 bushels, or 67.61%. Oats, rye and barley, the three grains showing downward trends have a combined total decrease of 5,407,000 bushels. Flour receipts aggregated 1,725,000 barrels compared with 1,634,000 barrels last year.

In the table which follows we give a detailed statement of the grain arrivals at Western lake and river ports in our usual form:

WESTERN FLOUR AND GRAIN RECEIPTS

Four Weeks Ended November 28

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	876	1,056	9,941	687	536	1,197
	1941	806	1,032	9,010	1,276	592	1,316
Minneapolis	1942	----	11,525	1,756	2,769	651	3,530
	1941	----	7,003	2,955	3,303	1,086	7,495
Duluth	1942	----	7,550	1,409	204	402	1,414
	1941	----	4,500	1,658	852	312	1,559
Milwaukee	1942	67	4	448	27	169	3,077
	1941	86	20	736	6	42	2,306
Toledo	1942	----	1,228	817	155	165	67
	1941	----	870	589	348	----	----
Indianapolis & Omaha	1942	----	1,039	4,360	622	----	----
	1941	----	560	3,433	645	11	8
St. Louis	1942	542	1,542	2,268	120	86	227
	1941	534	387	1,042	108	51	263
Peoria	1942	182	547	3,332	139	33	230
	1941	147	435	2,702	120	103	285
Kansas City	1942	58	4,149	2,649	316	----	----
	1941	61	2,280	998	306	----	----
St. Joseph	1942	----	574	495	266	----	----
	1941	----	141	194	151	----	----
Wichita	1942	----	1,379	----	----	----	----
	1941	----	1,060	----	----	----	----
Sioux City	1942	----	161	864	135	28	271
	1941	----	60	517	49	16	321
Total all	1942	1,725	30,754	28,339	5,440	2,070	10,013
	1941	1,634	18,348	23,834	7,164	2,213	13,553

J. P. Moffatt Dead

Jay Pierrepont Moffat, United States Minister to Canada, died unexpectedly at the legation residence in Rock Cliffe Park, Ottawa, on Jan. 24, after an illness of several weeks. Mr. Moffat assumed his duties as U. S. Minister at Ottawa on June 13, 1940, succeeding James H. R. Cromwell.

Prime Minister Mackenzie King, notified of Mr. Moffat's death, said:

"No words could express my deep personal regret. The representative of the United States in Canada for the past three years has earned the confidence and affection of the Government and people of Canada.

"His death is a grievous loss to his country and to our country and will be deeply felt throughout Canada, but particularly in Ottawa, where he had made so many friends."

Secretary of State Hull stated at Washington on Jan. 24 that the death of Mr. Moffat came at "the peak of his usefulness" and was "a tragic loss to our country." Mr. Moffat, who was 46 years of age, was a son-in-law of Joseph C. Grew, former United States Minister to Tokio. Mr. Moffat had been in the diplomatic service 25 years. Associated Press advices Jan. 24 from Washington, summarizing his career, said:

After studying at Harvard he became private secretary to the American Minister at the Hague and an assistant in the legation there. He was assigned to Warsaw in 1919 and then served in Tokio, Constantinople, Bern and Sydney, Australia.

Mr. Moffat was prominent in the work preparatory to the world disarmament conference at Geneva and was secretary of the American delegation to a 1929 Geneva conference which elaborated upon an international agreement for humane treatment of prisoners of war.

As chief of the Division of European Affairs from 1937 to 1940 he served in a territory where, as he once expressed it, "crises are endemic and not a rarity." He accompanied Sumner Welles, Under Secretary of State, on Mr. Welles' fact-finding tour of Europe when the present war was getting under way.

Mr. Moffat was born in Rye, N. Y., July 18, 1896, a descendant of John Jay, Secretary of State under the Continental Congress and negotiator of the Jay treaty with England in 1794. He became the sixth in line in his family to serve his country in international affairs of state.

United China Relief Fund Exceeds Goal For 1942

The goal of the United China Relief for $7,000,000 in 1942 was passed by the American people, it was recently revealed by Wendell L. Willkie, Honorary Chairman of the relief organization. A total of $7.083,357 was contributed with additional pledges for $2,209,676, or a total of $9,293,033. In a radio broadcast, Mr. Willkie praised China "as a strong and courageous ally in war and as a loyal and generous friend in peace." He called on the Government to give China the kind of aid she needs and called for further support from the American people.

Dr. Wei Tao-ming, Chinese Ambassador to the United States, thanked Mr. Willkie for the efforts of the organization.

The Greater New York Committee of United China Relief raised $2,000,000 in 1942, which was $250,000 in excess of its quota.

Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of The National City Bank of New York on Jan. 26, Leonard N. Johnson was appointed an Assistant Cashier.

Henry H. Mandle, President of the Metallic Products Corp., New York City, has been elected to the Board of Directors of the Clinton Trust Company, it was announced on Jan. 29. Mr. Mandle is also President of the United States Metal Powders, Inc., N. Y. C., Vice-President of International Bronze Powder, Ltd., Montreal, Vice-President and Secretary of the United States Bronze Powder Works, Inc., N. Y. C., and a director of the Closter National Bank & Trust Co., of Closter, N. J.

The Peoples Industrial Bank, New York City, has been authorized by the State Banking Department to change its main office from 447 Seventh Ave. to 249 West 34th St.

The Lincoln-Alliance Bank and Trust Co., Rochester, N. Y., announces that James E. Gleason was installed on Jan. 22 in the newly-created post of Vice-Chairman of the Board. At the same time, the bank announced the appointment of a new Assistant Vice-President and three Assistant Secretaries, one of them the first woman to become an officer of the bank. Warren W. Allen, in charge of the institution's real estate department, was elected Assistant Vice-President, and Miss Lucia Deutschbein, Stephen J. Spellman and Roy E. Vance were made Assistant Secretaries.

The Lincoln-Alliance Bank and Trust Co. received approval from the State Banking Department on Jan. 22 to reduce its capital stock from $5,280,000 to $5,000,000. The new capital stock set-up consists of 40,000 shares of convertible preferred stock of $50 par value and 150,000 shares of common stock of $20 par value. Previously there was 164,000 shares of common stock of the same par value.

John A. Gaffney, Executive Vice-President of the Mid-City Trust Co., Plainfield, N. J., has been elected President of the institution. Mr. Gaffney succeeds Charles E. Loizeaux, who resigned because of illness. City Judge Henry W. Clement was named Executive Vice-President.

In honor of John B. Hartmann, head of Frankford Trust Co., of Philadelphia, since 1925, the directors, officers and employees of the bank on Jan. 20 celebrated the anniversary of his 50 years of continuous service with the bank. This is learned from the Philadelphia "Inquirer" which said:

As a tribute to the lifelong association of the two men who hold the two longest records with the bank, Emmett O'Neill, now 92, who continues to serve as chairman of the board, presented Mr. Hartmann with a gold watch, a gift from the directors.

Mr. Hartmann entered the bank through his first employer, John B. Lennig, at that time in the chemical business, and one of the founders of the bank, and elected President in 1893, when he took Mr. Hartmann with him.

The plan for consolidating 15 building and loan associations in Atlantic City and neighboring Ventnor (N. J.) into two new companies has been approved by shareholders and the new units will commence operations after completion of legal and accounting details.

James W. Cullen of Atlantic City, President of the Atlantic County Building and Loan League, has been selected as President of the Anchor Savings and Loan Association, larger of the two new organizations, and Jay C. Kline of Margate, an Atlantic City title company executive, has been named President of the second company, to be known as the Guardian Savings and Loan Association.

The following is according to Atlantic City advices to the Philadelphia "Evening Bulletin" of Jan. 21:

"Advance grants totaling more than $1,300,000 from the Reconstruction Finance Corporation and other financial institutions made the mergers possible. Anchor Association will commence operations with assets of $2,100,000, representing approximately $1,100,000 cash, $180,000 in U. S. Government bonds, $350,000 in other investment securities, and more than $450,000 in home mortgages.

"Its sister association, Guardian, will start business with assets of $1,500,000, comprising $455,000 cash, $325,000 in U. S. Government bonds, $308,000 in other investment securities, and more than $360,000 in home mortgages.

"Under the program, acceptable assets from eight existing associations will be transferred to Anchor, while those of the other seven will be merged into Guardian.

"Stockholders in the reorganizing companies will receive new accounts in either Guardian or Anchor."

Previous reference regarding this merger was made in our issue of Jan. 7, page 80.

John N. Fort, Jr., Chairman of the board of directors of the Liberty Title and Trust Co., of Philadelphia, died on Jan. 24 at his home in Germantown. In the Philadelphia "Evening Bulletin" it was stated:

Mr. Fort, a native Philadelphian, had been associated with the bank for 57 years. After being educated in public schools and by private tutors here, he entered the bank's employ at its inception in 1885. In 1921 he was made its President, which post he held until 1940 when he was appointed Chairman of the Board. Mr. Fort was also a director of Henry Disston & Sons.

William Ingle, retired Baltimore banker, died recently at his home in Baltimore at the age of 84. Mr. Ingle, who retired in 1926 after 45 years in the banking field, helped to establish the Federal Reserve Bank of Richmond and was its first Chairman, serving from October, 1914, to February, 1916. He was President of the old Baltimore Trust Co. from 1916 until 1925 when that company was consolidated with the former Atlantic Exchange Bank and Trust Co. Mr. Ingle became Vice-Chairman of the Board of the combined institutions and retired the following year.

The officers and directors of the Geo. D. Harter Bank of Canton, Ohio, announced, on Feb. 1, the change of its corporate name to the Harter Bank & Trust Company in recognition of the increased importance of its Trust Department founded 21 years ago. It will continue to operate under its charter from the State of Ohio, with membership in the Federal Reserve System and the Federal Deposit Insurance Corporation.

James P. Hickok resigned on Jan. 20 as President of Manchester Bank of St. Louis (a post he had held for nine years), to accept the presidency of Manufacturers Bank and Trust Company of St. Louis, in which office he succeeds the late Arthur F. Barnes.

John S. Wood has become President of the Manchester Bank of St. Louis as successor to James P. Hickok, resigned. Mr. Wood had formerly been Chairman of the Federal Reserve Bank of St. Louis, and prior to that he had served as chief national bank examiner of the St. Louis Reserve District.

Millard W. Smith has been advanced from Vice-President to executive Vice-President of the Manchester Bank and F. J. O'Riordan was elevated from Cashier to Vice-President and Cashier.

Norfleet Turner, Executive Vice-President of the First National Bank, Memphis, Tenn., has been elected President of the institution succeeding Samuel E. Ragland, who becomes Chairman of the Board. Mr. Turner has been been associated with the bank and its affiliate for the past 14 years. He began his banking career in 1923 with the Union Planters Bank & Trust Co., and later was connected with the Franklin Savings Bank, both in Memphis.

The Directors of the Midland Bank Limited of London announced on Jan. 12 that they have elected Robert L. Angus, D.L., a Director of The Clydesdale Bank, Limited, to a seat at their Board.

Opposes Socialized Credit And Subsidies

(Continued from first page)

control of agricultural credit by political forces.

"It is recognized that direct relief by the government in times of serious economic stress may involve some granting of loans from public funds as a temporary emergency expedient. However, the continued practice of making uneconomic loans from public funds, without adequate consideration of the ability of the borrower to repay and with the losses socialized at the expense of the taxpayers violates the principles on which credit rests and thereby endangers the foundation of a sound credit structure.

"We recognize the rights of farmers or any other group to establish, operate, and maintain cooperative credit enterprises. We believe, however, that such institutions should be operated on a self-supporting basis and that income should be adequate to cover the costs of operation, including credit losses. Continuing losses of any such institutions should not be subsidized out of the Federal Treasury.

"The American Bankers Association believes that the agencies of the Farm Credit Administration should be farmer-owned and farmer-controlled cooperative credit institutions, and in this connection it will continue to support the farm organizations in their effort to protect this farmer-ownership and control and to provide for the ultimate elimination of government subsidy.

"We believe that the present subsidies enjoyed by the Production Credit Associations in the form of government capital should be returned to the United States Treasury as soon as practicable.

"The American Bankers Association maintains the position that it is not in the public interest for the government to engage in the lending business where local credit is available in adequate supply and at reasonable rates.

"The American Bankers Association will continue to present its position on these matters before appropriate administrative agencies of the government and before committees of Congress in an effort to secure the relief which is not only reasonable and proper, but which is as much in the public interest and in the interest of farmers as it is in the interest of chartered banking. The A.B.A. welcomes the support of state associations in seeking these objectives.

"The chartered commercial and savings banks of the nation represent the largest source of all agricultural production credit. In the present emergency the banks in financing war production, are ready and anxious to further marshal their resources to serve the nation's credit needs in support of Food for Freedom in 1943."

Strongest Condition Since Founding Reported By Federal Home Loan Bank Of New York

Both the Federal Home Loan Bank of New York and its member institutions enter the second year of the war in their strongest condition since the Federal Home Loan Bank System was founded ten years ago, it was announced on Jan. 30 by Nugent Fallon, President of the Bank. The Bank is a credit reserve for its member savings and loan associations and savings banks in New York and New Jersey. Mr. Fallon stated that "as measured by increased reserves, greater liquidity and capacity for public service, the New York district Bank and its members made substantial progress in 1942, despite their many adjustments to the demands of war."

Over the year the resources of the Federal Home Loan Bank of New York increased from $33,465,321 to $36,892,128, Mr. Fallon's annual report to the member institutions revealed. On December 31, cash and Government obligations held by the Bank stood at $13,020,096, or more than 35% of total resources, as compared with 25% of resources at the end of 1941. Reserves of the Bank increased to $1,525,188; or 18.5% for the year. Net income for 1942 amounted to $483,331, as against $347,440 for 1941. Further advices from the Bank state:

"During 1942 the Bank maintained its record of continuous dividend payments since establishment. The $123,233 paid for the last half of 1942 brought the total since 1933 to $2,694,510, of which $534,945 went to member institutions and $2,159,565 to the Government, in proportion to their respective ownership of the Bank's capital stock. On December 31, the Government's holdings were $18,963,200.

"Although advances of long and short term credit from the Bank to its members reached an all time high of more than $18,000,000 during 1942, heavy repayments during the year brought outstanding advances on December 31 down slightly to $23,760,930. The 1942 repayments reflected the growing cash position of members caused by their steady receipts of savings from the public, accompanied by a sharp decline in the demand for home building loans.

"Obligations of the U. S. Government held by the Bank rose from $6,447,398 to $11,599,274 over the year which was typical of the increasing participation in the Government's war financing by the 12 regional banks of the Federal Home Loan Bank System.

"Four New Jersey mutual savings banks with combined assets of $54,000,000 became members of the New York Bank in 1942. Total membership of the New York Bank on December 31 numbered 374, a decline of three for the year, caused by the continued healthy trend toward consolidation into stronger units. Membership assets over the 12 months rose from $485,000,000 to $572,000,000."

Mr. Fallon points out that "the improved condition of the Bank's member institutions is evidenced by the increased proportion of liquid assets, greater reserves and undivided profits and an uninterrupted decline in their volume of owned real estate." He adds:

"The demand for home properties in industrial areas has helped sell much of the balance of real estate acquired in the early 'thirties.

"With their lending outlets curtailed by the stoppage of home building except for war workers, members invested heavily in U. S. Government bonds, supporting the financing program of the Treasury. In 1942 alone, such investments rose from $6,412,000 to $30,613,000 or by nearly 400%.

"The members engaged actively in the War Bonds campaign in their localities, carrying out their traditional function of encouraging thrift. In 1942, their sales of War Bonds and stamps, plus their purchase of War Bonds for their own account, passed the $31,500,000 mark."

Describing the progress of insurance of the safety of investors' accounts in savings and loan associations—through the Federal Savings and Loan Insurance Corporation—Mr. Fallon said:

"At the year-end, 205 associations in this district were operating under insurance protection, up to $5,000 per investor. In volume of assets they represent over 73% of the resources of the savings and loan association members of the New York Bank. Certificates of insurance were issued to 20 associations in the district during 1942."

"With all our war time problems, there is cause for much optimism among thrift and home-financing institutions as we look to the future," Mr. Fallon told his members. "We must be prepared for the demands of the years of reconstruction after the war. We can help demonstrate that low-cost housing in ample quantity can be provided by our present home-financing institutions. We must cooperate to encourage and maintain a wide market for used homes that are properly modernized." Mr. Fallon went on to say:

"Our members may have to plan the pooling of funds for mass construction and even themselves build in volume for sale or rent. Progressive management may soon plan, finance and direct sound and profitable programs of neighborhood rehabilitation in our cities. All our members must take part in considering and influencing Governmental programs."

National War Relief Drive Favored By FDR

President Roosevelt recently expressed approval of a plan of the War Relief Control Board to reduce the number of annual war relief drives to two—the Red Cross campaign in March and a national war fund drive in October.

The War Relief Control Board, headed by Joseph E. Davies, outlined the plan which will eliminate separate campaigns for war community chests and the foreign relief organizations. Winthrop Aldrich, Chairman of the Chase National Bank, will direct the national war fund drive.

The President's statement follows:

"I am glad to approve of the report of the War Relief Control Board. I note with special satisfaction the provision for the wide participation in planning and operation of this enterprise which makes it far more than just another campaign. It will contribute greatly to our unity, enthusiasm and power in the war effort when it joins our concern for our own men and women in the service, our support of our fighting Allies and the nations in chains and our determination to hold the lines on the home front.

"This clears away any national drives which might compete with the most important Red Cross campaign in March."